

FBIS

DAILY REPORT

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PERUVIAN PRESIDENT GARCIA CLOSES IPI ASSEMBLY

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[Speech by Peruvian President Alan Garcia before the 36th Annual Assembly of the International Press Institute in Montevideo, Uruguay, on 15 May — recorded]

[Text] Mr President, ladies and gentlemen: I offer my sincerest apology for the delay in keeping this engagement. I arrived late, but I came despite the pressing administrative and political problems I am having in my country. However, I came because I know how to separate pressing matters from important matters. I will resolve the pressing matters. The important matter is that freedom of the press and of expression are built amid democracy. That is why I came to greet this meeting, the most important press meeting, and to tell you about our commitment — despite enormous and pressing difficulties — to continue building a civilized democracy characterized by broad and unrestricted freedom of expression, the press, and thought. [applause]

I also came because I have confidence in the Peruvian people and in Peru's democratic institutions, which were built through the vote of the Peruvian people. I came because no circumstance, accident, or incident can interrupt what is fundamental and substantive: democracy, the people's will, which is much more important than bad news because bad news is a passing matter. I came to tell you, on behalf of the Peruvian people and all the Latin American peoples, that what is fundamental about us and our peoples is more than the reports that are reported or disseminated. I came to tell you that the enormous problems that exist are not as important as the substantive desire to build something better.

During the long flight here I thought about how I should address you. Should I make a speech, repeating phrases that you have already heard? Or should I reflect aloud with all of you on various problems that are plaguing Peru and many other Latin American countries? First, I would like to say that I will speak to you, the builders of world opinion and of news as a reflection of history, without sentimentalism and animosity. I will speak with serenity, based on the confidence that you will identify with our problems and on the serenity that comes from knowing the people of America can be democratic and well understood.

This is the first problem: I know many of the participants in this important meeting represent what we call the industrialized world — Europe, Japan, and the United States. These participants represent a world and a situation that is very different from ours. Many times they classify the episodes they learn about the life in Latin America as either good or bad news, but, in any case, as news. In the world of information, unexpected, absurd, and sudden developments make news. I came to tell you that developments which are sometimes classified as only news are dramatic parts of our lives and substantial components of life in Latin America and Andean America, of which Peru is part.

Here lies the first and important difference in the way of looking at things. News that is viewed as unusual, strange, or bad in some parts of the world is a permanent part of our lives. For us, these developments are neither natural, justified, nor desirable; however, they are current and real. They are not unusual or absurd.

I am talking to you with serenity, and I want you to know that my prime interest is establishing the communication that will enable us to eliminate these differences, so life in Latin America -- characterized by so much bad news -- is not merely news for the rest of the world. I am here to ask you to try and understand, have confidence in, and identify yourselves with Latin America, a region that is struggling for survival. I am also here to tell you that interpreting or creating news cannot be done from one angle or perspective. Leopoldo Zea, a prominent philosopher of our continent, the greatest Latin American philosopher, has always said that westernization blurs and darkens many perspectives. Ever since the Greeks or Romans called those who differed in ideas and were not part of their civilizations barbarians, the concept that anything alien is inferior has been with us. Therefore, this ethnocentric standpoint is what makes us perceive as unusual developments that are really part of daily life on an entire continent.

I am not telling you the solution to this is for us to create organizations to counter those ideas. I am here to tell you that I am fully convinced we can persuade one another to realize that developments and life need not be interpreted from one perspective, but that we can be open-minded in understanding many and various problems. I am also here to tell you that with that same confidence, and amid enormous difficulties, Peru's message today is a message of determination, assertiveness, and perseverance. We do not believe history is inevitable, or history is commanded by ineludible fatality or necessity. We believe in what Sartre called the human project. We believe in willpower, because willpower may be the only factor that will enable us to overcome the serious obstacles we are now facing. We are facing serious economic and political obstacles; serious obstacles in all areas -- even emotional obstacles -- which can only be faced with faith and willpower.

Peru is a typical Andean country. To talk about Peru is to talk about many countries on our continent. We have lived the same history as the other Latin American countries. First we exported our products, then we bought technology and tried to copy from industrial consumers and markets. Today we are debtor-countries negotiating on a bilateral basis with the powerful international financial system. As a country we have been created and made to serve the international economy, to transfer abroad the surplus of our production and work. We have been exporting and importing excessively, and today, we are paying our debt. As a result of this history based on foreign interests, our people have been neglected in their natural habitat -- the Andes -- and our economy has not been organized to serve society, much less to contribute to the individual development of our citizens. That is why we are facing very serious economic problems. We have been focusing industrial activity in a single city, trying to copy and imitate the industrial consumption of the wealthiest countries. We have been working to export our products, for which we are paid less each day. We have eagerly adopted liberal theories that can be very good for the wealthiest countries, but which are not necessarily the most effective for developing countries. That is why we are confronting a crisis of national identity, because we have been imitating cultural models and internationalizing our language and our concepts, and in so doing we have been eradicating our emotional life. That is why all of this is expressed in a form of violence, which is different from the violence affecting other countries, rich or poor. That is why we are indebted up to \$15 billion, while our exports -- the value of our exports -- is only \$3 billion or less annually.

However, amid this critical situation -- which is even more complex because the media, through publicity, stirs up consumption fever and a compulsive desire to imitate -- amid this crisis, we have a plan. We have a political, nationalistic and democratizing objective. Most important, we are facing all these problems within an atmosphere of total and unrestricted freedom of the press.

There are many things the city of Lima cannot be proud of because it has many problems. However, it can be proud because it has more television channels than any other city in the Latin American hemisphere. We have 9 television channels, 15 newspapers, and more than 60 radio stations in Lima. We also have terrorism, poverty, and inflation, and demands are constantly voiced through each of those newspapers and television stations. I came to tell you that the challenge this government and the party I represent have is to change things without sacrificing that freedom. I came to tell you that the challenge we want to meet is that the country can be developed; foreign debt payments can be limited; industry can be reactivated; the population's consumption can be improved; Peru can become an agricultural country again to produce its own food; and people can be encouraged to participate democratically, with union freedom, parliamentary freedom, and with free and unrestricted freedom of the press. I came to tell you that our democratic project is to build a democracy that will resolve problems without sacrificing freedom of thought, which is sacred.

As Sartre said, there is no socialism without freedom. We are committed to that project. I came to ask all of you for your help, in the way of understanding, not only to defend a theoretical democracy, but to help understand our position on the debt and our responsibility -- as a sovereign state -- regarding terrorism, so democracy will be able to prosper in Peru. I have traveled 5,000 km to ask you this. I am sure I will obtain your understanding and help, and I will be able to leave with the satisfaction that you understand Peru.

The first topic that calls for attention is violence. I have sought to speak before you as if I were speaking at a widely attended and very important news conference. Violence is a topic that always surfaces in questions at news conferences. What is the reason for violence? What does the state do about violence? I would like to elaborate a little on why and how there is violence in Peru. However, I want to say that just like views differ on developments, which to some are part of our life and to others are news, a special view must be adopted to understand the kind of violence that exists in Peru.

News agencies, newspapers, and radios report on hundreds of dead, on mayors elected by the people, who are murdered, and on dozens of my government's engineers who are sent to the country's poorest areas and are shot to death to prevent the state from reaching those areas and thus, maintain their historic and economic isolation. Those reports spread around the world. I confess that sometimes these reports fill me with sorrow and puzzle me because despite all our efforts -- which we will discuss later -- to nationalize the economic surplus and create a better system of consumption in Peru, news, terrorism, and death defeat us. Death is truly -- and this is no sin -- more newsworthy than life. Defeat is more newsworthy than an important victory. Bad news is more important or better for sales than good news, which is only part of history. However, that is a fact and we cannot complain about it. It is a reality that must be made part of the situation we are experiencing.

The first thing we must set forth -- and what I came to tell you -- is that violence in Peru is not directed against Alan Garcia. It is not a guerrilla struggle against the president or the government. It is a struggle by a mistaken and murderous group of people against all the people. For the past 2 years it has been a struggle against a different democratic and nationalistic alternative. You might ask: Is it an ideological guerrilla movement? I answer that it is not only an ideological problem. There is indeed an overall concept and system of doctrine. However, that alone does not explain the abundance of news on violence in Peru. In Peru we have a guerrilla movement that uses terrorist methods for propagandistic purposes.

It took us a long time to properly understand the problem of violence in Peru. Initially, some said that [the guerrillas] were common criminals. Others said they were just small, radically doctrinated groups. Still others said they were urban terrorist groups. What we really have is an ongoing guerrilla movement attempting to liberate a central area in the Peruvian Andes and take over the entire country. In addition to this, it expresses itself -- particularly in Lima -- through terrorist methods, including the killing of policemen and authorities.

We are not dealing with a group of ideological guerrillas, because they do not conform to the old rational model of the guerrillas of the 1960's that are always characterized by Ernesto Che Guevara. There is an enormous difference between the guerrilla groups of the 1960's and the current terrorist and guerrilla violence in Peru. The student, middle-class, ideological guerrilla groups of the 1960's was closer to what we would call the rational world. Current violence is closer to passionate feelings and emotional impulses. More than an ideological doctrine, it is motivated by emotional impulses.

For the Peruvians -- an Andean people who have been impoverished for centuries, first by the Spanish colonial domination and afterward by a republic that was basically a republic and a democracy for a small group -- to these people who have been isolated for centuries, the notion of time is very different to that of a European. The notion of transpired time is very different to that of an urban, middle-class intellectual. To a people who have not seen change for centuries, change does not exist; to a people who have not seen possibilities for change for centuries, change is not part of a reasoning that builds gradually, but of an emotion that destroys or creates various conditions.

(Bernerson Bart), who you know well, wrote a book called THE BOURGEOIS to define bourgeois thought; a thought process that is instrumentally established step by step. That is the framework for understanding the notion of time for a European man, a human being in the industrial world: constructing little by little from the viewpoint of gradual accumulation and construction.

I want you to understand the notion of time of a people who have not seen change for centuries, a people who have only experienced isolation and whose essential conditions are maintained. When those people, through the media, radio stations, and the city, learn about other things and another standard of living, that standard of living is not perceived by them as an objective to be gradually achieved with effort. That standard of living is essentially perceived as another step, as a disruption of time. That is why utopism is one of the main components of violence currently being experienced in my country.

We must clearly differentiate between the rational and romantic group of the 1960's, such as the guerrillas of Che Guevara, from this kind of violence, which is very different. By saying this, I am not justifying violence; it is my duty as a ruler to understand it. I am not saying murder and destruction are justified because one is poor or because history has not changed in centuries. I am not justifying that; I must understand that it is a psychological ingredient to explain why this violence is different to previous violence in Latin America or to that experienced by other countries.

This is a fundamental aspect for a reporter. Therefore, current violence is not rationally and ideologically conceived; it is essentially emotional; it is mainly utopian impulse to destroy. That is why the current violence in Peru is essentially totalitarian; it is violence involving total destruction, a Pol Potist [Polpotista] violence to which life is meaningless. In the past few years, it has sacrificed thousands of lives at the hands of the empire of destruction.

This totalitarian idea, this psychology of utopian destruction is compounded by certain conditions: first, Peru's geography. It is a mountainous geography, a geography without plains, a rough geography marked by long distances where the state has never existed; where there are no roads, no instruments for services and civilization. In addition, in Andean areas of Peru, the population has for centuries been divided into the so-called peasant community. Communities are contained in hundreds of thousands of kilometers; they are separated from each other. The state has never been there with its services and reality.

These geographical and social organization elements have facilitated the implementation of carefully manipulative actions to coerce peasant communities in addition to the psychological attitude, utopian inclination, and destruction in the past 15 or 20 years. We have always known about a kind of violence that is carried out on behalf of the poor against the powerful. This violence was initially targeted against the poor on behalf of the poor. This violence gradually began to dominate peasant communities in a dictatorial fashion. We have many reports of peasants and community residents who have been coerced into participating in actions in defense of ideological systems that they have never known or understood.

This is a basic element, because if one does not know how rough the terrain is, what a wasteland it is, how totally unproductive it is at 4,000-meters elevation; if one does not know how the peasant communities are distributed; if one does not know that the government has never reached them to teach them to read and write, not even through radio communications; if one does not understand that these communities have been there for centuries, and how easy it is to detonate or force in them a destructive instinct -- an emotional change, because no rational change is possible -- one cannot understand the reason for so much violence in Peru.

Therefore, throughout the last few years -- and very strongly since 1980 -- this violence has started to appear in Peru, destroying electrical lines... [changes thought] I want to tell you that Lima, the capital of my country, is one of the weakest cities, strategically speaking. It was built by the Spaniards as a means of escape to the sea, when in reality Peru's spinal column is its Andean mountains, where the capital of the Incas was located. But that capital was transferred to the seashore as a port of escape. It is very weak, because its electricity comes from 600 km away, through a network of high-tension wires. Lima may be left without electricity at any moment, with a single dynamite charge. We have 4,000 electric towers bringing electricity to Lima. To dynamite any one of them would mean plunging Lima into darkness and causing panic among the population. It is very easy to exercise violence in this manner.

We have thousands of policemen. Killing any one of them and making this into a news story -- and multiplying and reproducing the story in 15 newspapers and 8 television channels -- feeds and unleashes more violence. Why not say it: This psychology of violent change plus a totalitarian ideology and coercion, also feed upon daily reports about death. When death becomes daily news, one coexists with death and can easily become an agent of death. This is well known by you all and by any psychologist and politician.

All of these are elements of a violent situation that has slowly been emerging in my country. Part of it is in the central zone, and part of it is in some cities, especially Lima, through terrorist attacks such as blowing up electric towers or murdering authorities and policemen.

Peru is a mining country. We have thousands of small and medium-size mines, and they all use dynamite. Sometimes I am asked, does this terrorism and do these guerillas bring their weapons from another country? I must answer no. I do not elect the easy way out and say it is foreign countries who are feeding this violence with arms and money. Peru is a mining country. Any of you with a certain shrewdness would be able to obtain a stick of dynamite in Peru. Therefore, it is very easy to engage in this type of violence. When I am asked whether the weapons are coming from abroad, I say no. No because this violence, which is somewhat innate and national, has some golden rules, one of which is that the good fighter obtains the weapon from his dead enemy. This, which seems so absurd to us, is so. All the weapons gathered or captured from the subversive groups are weapons that belonged to dead policemen, dead soldiers. They are weapons seized somewhere. I cannot take the easy way out and say the Peruvian guerillas are part of a worldwide guerilla system. Such an explanation is too easy to be true. Violence has a long historical process. That fact does not justify it, because it is a perverse and negative way of protesting and attempting to gain one's rights.

As a citizen, I would be making a mistake if I did not try to understand its historical meaning, its psychological significance, and what is the most radical and totalitarian doctrine in the world. We Peruvians can be proud of that. In our country we have the fourth sword of international Marxism-Leninism. In our country, we have a messianic movement within its Marxism-Leninism, thereby adding an element of totalitarianism and of eternal and millenarian messianism to what is going on.

Naturally, another problem is that since we have been coexisting with death for so many years, death becomes bad news, but we are not really aware of the war that has been declared on Peru by the subversives. At this moment, I have a strike on my hands. On Monday I am going to have a general strike. Sunday, 17 May, marks a new anniversary of the Shining Path struggle. I have to explain all this to you. Part of the problem is that we do not gain awareness. In the past few years, Peru has expended billions of soles -- the Peruvian currency -- in the reconstruction of electric towers and bridges -- one bridge alone cost \$40 million. Peru has spent billions of soles in rebuilding all that is destroyed. But violence not only destroys bridges and electric towers or buildings. Violence also creates a sensation of total insecurity in the industrialist, the investor, the foreign capital. So we face inherited inflation and debts, violence, and its sequel: economic lack of trust by the economic agents. However, despite having all this, we still do not have enough awareness and we are now confronting demands and permanent strikes, despite the seriousness and dramatism of the situation.

This is the help I am asking from you and from journalism in my country -- to create awareness about the crucial situation we are experiencing. This is the way journalism can help build democracy in Peru and in other Latin American countries, because this violence that characterizes Peru will not characterize only Peru if we allow it to continue. This violence is essentially Andean, and can spread through the Andes to Bolivia. It can move on to Colombia and Ecuador, and then to Venezuela. This is not only a Peruvian problem. It has begun in Peru.

This type of violence is innate and different from that of the small cells of the 1960's. However, it may spread through this entire side of Latin America -- the Andean side of the continent -- through its peoples, through its geography, and through the unsolved problems.

Therefore, I must say how the Peruvian Government expects to counter this violence. There are different methods for solving the problem. Since this is an anonymous violence, an unknown violence, where everyone and no one is responsible, the first proposed method is: Kill 60 people and perhaps 3 of them are subversives or seditious persons. I am convinced the only thing you attain with this brutal method is to create worse conditions and multiply violence in the country. That is not the alternative.

The second alternative is: Let us desperately build projects in the poorest Andean zones. However, even if this is part of the solution, it is not the real solution. We can build projects, send tractors, and build hospitals in the poorest zones where violence has exploded, but this only justifies that violence. These quick solutions simply support those who use death to attain their demands.

The third alternative has already been proposed: We must participate in a dialogue. I am sure you know about the problems and violence which prevailed in many countries and have been solved -- or at least ameliorated -- through a dialogue. We have proposed a dialogue. We did not know whom to address or how to address them. We have used the news media to publicly state that we want to talk with those who inspire, manipulate, and organize the violence which has cost thousands of deaths in Peru, both on the society's and the rebels' side. We have yet to receive any reply. Please publish in your newspapers that we want to talk with those who kill thousands and thousands of Peruvians. We must try to find a solution.

This is the problem: A dialogue is a rational construction of solutions and -- I refer to the first part -- that rational construction of solutions does not fit in a world of violence, where emotions prevail and encourage destruction. We have never had the opportunity to participate in a dialogue. When we began our administration we wanted it to be new, different and -- I use the exact words -- anti-imperialist, nationalist. We issued a proposal to begin a new era in Peru. However, we received no reply; quite the contrary, subversion and death have multiplied and increased, reaching urban areas. This is not only restricted to the Andean areas; it is now part of the cities. This is quite dramatic, because we can say: We are perhaps the only country in Latin America that has gone to the extreme of estranging itself from the IMF concerning its credits, given our anti-imperialist position and our viewpoints concerning the foreign debt.

We do not colonize anyone within our territory and we are not a colony of another country. We have economically exerted ourselves to improve the peasant communities' situation and we can prove with figures that this has been attained during the last 20 months. Nevertheless, violence has launched itself against our society and government with more strength than against previous governments. I tell you that, given this grave irrational problem we currently face, we will continue to advocate democracy; we will advocate patience and wisdom, which are necessary to attain democracy. We cannot yield to emotional and primitive impulses and try to counter that violence. If we allowed our emotions to prevail, thousands and thousands would have to die in the attempt to stop this violence -- and we would not stop it.

We know nothing will be achieved by annihilating people. We believe the basic thing is to prove democracy can be the instrument for overcoming poverty. We believe democracy can be used as an efficient model to solve the problems of insecurity, dissatisfaction, and lack of identity which afflict our people -- who were bearing the weight of a foreign domination and internal exploitation. We believe rural and agrarian democracy can be used to counter violence. Unfortunately, democracy is not a distribution of abundance at a time when we face an overwhelming economic crisis in Peru. Democracy is a slow and progressive work of reconstruction and economic reorganization in Peru. Consequently, this does not have the obliging force of abundance to completely abolish the people's desperation and dissatisfaction.

Here lies one of the biggest problems we face. Democracy...[changes thought] desperation --to use well-known terms -- dissatisfaction climbs with the speed of an elevator while our democracy, which is beginning to be reconstructed, slowly climbs through the steps. It climbs, but slowly. However, we must place trust in it. That is why the first thing the government must do is identify itself in style and language with the population. The population must know we want a nationalist economic sovereignty. It must know if we cannot give it everything right away and only give it something, we are not giving it something in order to give the rest to the foreign banks. The population must know it does not endure scarcities for the benefit of large, monopolistic national management groups.

What is important is that democracy be anti-imperialist, nationalist. What is important is that democracy be a people's democracy identified with the people. Without this language, democracy cannot approach the majorities to meddle between them and the preaching of violence or the emotional agitation caused by dissatisfaction. The only way to significantly fight violence is to prove that democracy is a way out of problems.

I am addressing here newsmen and men from the rich world, from the industrial world. At times, democracy is interpreted as being an industrial democracy of affluence, wealth, well-being, and [it is said that] when there is no well-being there is no democracy. Democracy is indeed a tool to solve the problem of poverty little by little because it involves a challenge to nationalize wealth, to reinvigorate the economy, and at the same time to redistribute resources without sacrificing freedom, the political organization of parties, and trade union freedom.

Only by deepening democracy, only by deepening the nationalist calling of Peru's economy can we have an ethical outlook and moral authority with which to duly fight violence. If I were to govern according to the IMF's prescriptions; if I were to govern for the benefit of foreign banks and their accounting systems; if I were to govern to fatten some rich people, I would not have moral authority to fight those who, although mistaken and homicidal, represent a part of Peru. Therefore, only a profound and nationalistic democracy can ethically defeat violence, and this is the economic and political aspect of democracy against violence. However, there is also an aspect that pertains to the police and repression. Democracy must have authority. I have not come here to talk about authority in the name of a dictatorship's brutality.

In Latin America there are also governments elected by the people which have to defend themselves against subversion and violence. We are talking about the democratic authority of the people and the laws, which is very different from the dictatorial authoritarianism of those who have not been elected. We have absolute freedom of the press. We have political parties, a parliament, and trade union freedom, and with these tools we must fight the repressive aspect of violence, which is the most difficult aspect of the fight because it is anonymous violence in which all or none may be involved.

The police action must be intelligent and selective, and not a brutal crushing of everybody to see if a few criminals or subversives can be caught. This is the work in which the state must be most patient, must curb its own desires to use power and force. This is where sometimes this whole democratic offer takes a huge step backward. In this task, the state's means of repression are often part of the problem. You are well aware of the case of the penitentiaries. Following a mutiny in certain jails, perhaps the most heinous crime committed in Peru during this century was committed. Then one reflects and wonders to what extent all of us are part of the problem of violence and are gripped by these emotional drives of violence and unlimited gratification. [as heard]

This is another limitation of our state: We must only only use the means we have available intelligently but most often use means to impose restrictions on the means we have. That is why the problem of violence in Peru has developed over a long period of time. It will take a long time to solve it. I have come to tell you that if it takes a long time to solve the problem it will not be only news you will receive from Peru because it forms part of the reality from which we will extricate ourselves little by little.

I ask myself, if we have guns, weapons, French-made Mirage planes, and Soviet tanks, and if we got this into motion to crush towns, it would be the weapons with their logic and strength that would rule. The state must set curbs on its rights.

The state could deploy tanks and cannons to crush a mutiny, but the state must say: Despite laws authorizing it to do so, although the hierarchy is broken, time and serenity are more important. The state has to set limits on itself. Democracy is the self-limitation of the state; democracy is the serenity of the state.

My message to newsmen here is that you must also set limits for yourselves. That is my message to Peruvian and world journalism. They must also set limits on themselves, because we all have rights. The great sociologist Weber said the state has the right to force and coerce. Journalists have the right to gather information and issue an opinion. However, in the same way that the state sets limits on itself, because it is necessary to do so, the great project called democracy also needs the consciousness of the newsman who is the one who makes history and creates public opinion.

Occasionally, a single terrorist manages to obtain a revolver and casually shoots a policeman and kills him, kills a worker, a poor man whose sole sin is to want to earn a meager salary by wearing a uniform. He kills that policeman. That anonymous and silent incident, likely a result of a devious and abnormal mentality, is published the next day in the headlines. Naturally, that has one effect. It satisfies that criminal. Naturally, one incident, only one, is multiplied hundreds of thousands of times. I am not saying the facts must be covered up. I am not saying we must silence or gag the news; we will never do that, never. I have not been able to gag all the newspapers that have said I should not have come to this meeting now. I actually came out of respect for them, because I am confident of, believe in, and fully identify with freedom of speech. However, in the same way the government cannot and must not gag opinions and thwart liberties, we all are obliged to realize the effect of our actions. Absolute liberty does not exist, because any absolute liberty hinders the liberty of others or the right of all to be in history.

Everybody claims, confirms, and states that journalism is the fourth branch of the state, and in the same way that all state branches must act with responsibility, we must all do the same, especially in this issue, because the psychopaths, the emotional aspect of this violence is nourished from publicity. It nourishes from, is satisfied with, and gratifies from -- this is a psychological term -- publicity.

At times I have sent messages to my newsmen friends insinuating a question: Why do you do it? Well, here we are with newsmen from all over the world. We say that in this case, and in all appropriate cases, politicians must be criticized; we must be acrimoniously satirized or judged. But we the newsmen -- and I include myself in the group -- must understand, especially in societies like the Peruvian society, the importance of news in situations like this one. That is part of our responsibility, that is part of our conscience. It is not a duty of the state to repress, limit, and gag. Each individual has to realize the situation.

I would like to touch on a second topic -- the economy -- because the only news that has in some way competed, albeit weekly, at some point with violence and deaths in Peru is Peru's decision to pay its debt only with a maximum of 10 percent of its exports.

I have come here to talk about the topics you are familiar with. One topic is the violence by Shining Path. The other is the well-known issue of the 10-percent of exports. We have already been surpassed in this area by such an important country as Brazil, which is simply not paying and has declared a total moratorium. A few days ago, Zambia adhered to the 10-percent principle -- with our applause -- proclaiming it will not adhere to the IMF's theories, and will decide to pay only 10 percent of the value of its exports.

Knowing the stature and importance of the newsmen here, I have come to tell you that on this subject, as on the other, we cannot fall into any emotionalism or acrimony. This is an absolutely serene topic. This is an absolutely rational decision. As I said, Peru -- like other Latin American countries -- has gone through successive cycles. Like other Latin American countries, Peru has been -- and I am sure my dear colleague President Sanguinetti concurs -- subordinated to the world economy. At the turn of the century, when the world economy required raw materials, we organized our economies to export raw materials. Following the 1939-1945 world war, when the world economy became an industrial economy of transnational companies, we in Latin America began our industrialization, imitating the consumption models and purchasing machinery, factories, and technology. After 1970, when the world economy reached the end of its expansion, when trade conflicts developed and oil prices increased, we became debtor countries increasingly hard-pressed to repay the debt. All Latin American countries have gone through the same historical stages as exporters, importers, or debtors in different ways, repeating 160 years of solitude as in Garcia Marquez' novel.

The result of this path is that our possibilities have been exhausted. Our current relationship with the financial world, is one that does not create wealth, that has no material value.

At the beginning of the century, we used to sell bananas, copper or sugar. Our relationship with the world produced material value even if prices were low. Our countries produced material value. In 1950, when branches of the large international companies were being established here, they produced material value and they educated us in the use of vehicles, electrical appliances and products. However, now that our relationship with the wealthiest in the world is one of demand for payment, that payment no longer generates material value. The relationship no longer generates real value; it is simply a giving of money and a receipt of new credits which are monies due to be returned through payment of the previous debt. This relationship only generates monetary interests; it no longer generates real or material value.

This phase of what we call imperialism in Latin America no longer generates real production in our countries. Because of this, throughout history we have been ordered to satisfy the international economy with plenty or little, with Peru falling into the latter case. As a result of this history, when I took office in 1985, I received an economy with a planned inflation rate of 250 percent, with a productive recession, an alarming productive recession, with a currency that was losing value on a daily basis in connection with the foreign exchange, and with an enormous debt, even larger because the country was increasingly producing less and exporting less.

The inflation rate was planned at 250 percent because the currency was being devalued every day, and the prices of products purchased from abroad were increasing. The inflation was sustained because the country's recessive economy was producing little, and prices were high. I received an economy in recession; half of the factories' production capabilities were paralyzed. Half of Peru's industrial production capabilities were idle, basically as a result of the liberal ideology with which we had carelessly imported products from abroad. This importation of products paralyzed industry and consumed our reserves, and without foreign exchange or dollars we had to devalue the national currency and sustain the inflation. In this manner, we would reduce consumption; and by reducing consumption, increase inflation on the few products produced. It was an economy, and still is, organized and aimed toward the outside world, an export and import economy that omitted domestic industry, an economy to pay the previous debt. That is what I received.

It is then that I initiated a global answer to the problem. If the basis of our economy and our society was its dependence on the outside, we had to destroy that dependency. We had to change our relationships and our terms with the outside. That is why I decided to limit payment of the debt, and I want to explain this subject to you briefly. The debt is nothing but a compendium of a history of injustice in this and the previous century. The debt expresses the low prices of raw materials, the high industrial costs, the interest rates raised unilaterally by the worldwide centers of power. That is why the origin of the debt seemed very unjust to me, and the solution that was being applied to the debt problem seemed irrational to me. To request credits to pay a previous debt, thus increasing the level of the interest that Peru owes, did not seem to be the right path. That is why under those circumstances, I said that commercial credits would be a myth for Peru, because as in other Latin American countries, more, much more money had left the country than entered as new credits. Much more was paid than received. Furthermore, trying to request new credits to pay the previous debt was accepting the conditions those credits came with, the IMF's letter of intention, and continuing the same economic management that had led us to a 250-percent inflation rate, to a retraction of the productive apparatus, and to a huge debt, with all the social and political consequences these problems bring.

In response to this situation I had to make a decision. I have never and will never say that the rich countries are to be blamed for everything. In my opinion that would be the easiest answer to give [facilismo]. No answer as simple as that is realistic. I have never said that imperialism alone is to be blamed for our indebtedness and poverty, or that the rich countries are to be blamed. No. It is also our fault. We accepted governments, democratic or not, that got into debt, that accepted credits that had no immediate utility for investments that would not reproduce; governments that accepted credits with excessively high interest rates, that did not know how to guide the country's economy.

We are a part of that history. I belong to a different political party from that of my predecessor, and he belongs to a different one from the former president's. But we are the continuity of the same country. A people cannot presume to change history if it does not assume responsibility for its own history. To assume responsibility means to not put the blame on everybody else.

That is why we said we are co-responsible. We cannot refuse to pay in toto. We cannot deny the debt as a concept, because we are also responsible for that debt. But we demand that the richest countries in the world assume their share of responsibility in this crisis and in this debt. If they unilaterally raise their interest and unilaterally establish the terms of their loans, we also have the right to establish certain conditions. We will pay only 10 percent of what we are paid for our exports. We will pay 10 percent of the value of our work, which are our exports.

Naturally it has been said that it is a unilateral measure. Many newsmen have asked me that, and I have answered: what is not unilateral in the world economic system, the establishment of the interest rates, even the creation of suggestive proposals such as the Baker plan, but they are all unilateral measures.

There has never been the will to hold a political dialogue about the matter of the debt. Here among us is Enrique Iglesias, who represents the Cartagena consensus of the Latin American countries on this matter. There has never been a willingness to understand that this is not merely a problem of accounting or a commercial problem; for us it is a social problem. There, again, lies the difference in perspective. For a banker, the problem consists of some documents, of some accounts that do not match. For a country like mine, the problem is one of hunger, of violence, it is the problem of having to import much food and of not having foreign currency with which to pay for it. It is a problem of national sovereignty and identity. That is why we decided we would use only 10 percent of our exports, because in this manner we would establish a relationship between that which we must pay and that which must be paid to us for our work. That is, we linked the debt matter to world trade.

Last year [as heard], petroleum prices went from \$25 or \$26 down to \$8 in 1 moment. Peru is an oil exporting country. Peru lost \$350 million, or, rather, it failed to earn \$350 million from petroleum alone.

Silver, for instance, is a product that has always kept a certain relationship to gold. Erudites say that silver had always had the tendency to cost 35 times less than gold. But, within the last 5 years, due to speculative maneuvers, the price of silver went down. Despite the fact that the dollar kept on descending in relation to the European currencies, silver kept on going down with the dollar and remained at \$5.50 for the last 5 years. A few days ago, we made a move in the silver market and silver recovered its price vis-a-vis the dollar. It has not increased its price; it has just recovered the price it had when the dollar devaluated. At this time it is \$8.83, or \$8.70, or \$8.50, but it jumped \$3 from \$5.50, and that means this was a speculative price that was being maintained there. Despite the fact that many countries have illusorily taken advantage of that high price to sell their entire stocks, silver prices have not gone down. That shows that the price of \$5.50 was a speculative price, because there are three or four world consortiums which affect the price of silver, and there are three or four countries that produce it. We have not even had enough imagination to join together and defend the price of silver. Peru has had to take a long decision regarding the price. For the moment, we have had some success.

But I mention this subject only to demonstrate how the prices of our products go down and down while the interest rates go way up. This sort of monster which grows by itself, which is the debt -- during my period of government it has increased by many hundred millions, without our having borrowed one cent from any commercial bank; however, the debt has increased by billions of dollars, due to the interest rates. If we had paid in 1986 that which the documents said we had to pay, we would have had to pay over \$3 billion; that is, more than the amount of our total exports. And if we had paid the amount that we are behind, we would have had to pay twice the entire amount of the 1986 exports. We have been forced by the international system to limit the payments in order to guarantee the country's development by keeping the resources inside the country.

The debt, however, has a positive aspect. Everything has a positive side. The debt is the most acute and common problem of all Latin American countries because it is through the weight of the debt that the level of our salaries is fixed, the level of government's expenses, the subsidies of the foodstuffs and products the people eat -- the problem of the debt is present in everything that a citizen eats -- because if the debt is paid, one must solicit new loans and accept external policy conditions which in some ways are a determining factor in the lives of all citizens. In the majority of our countries, the debt is the greatest problem. That is why it has a positive side. As they say in the Caribbean, things are well because they are getting so bad.

The debt is driving Latin Americans to unite. It is forcing Latin Americans, who have never wanted to integrate, to unite on various political decisions. This marks the beginning of integration and unity and of the consolidation of our democracies. We will be administrators of scarcity in all our countries until Latin America unites. We will have moderately stable democracies, but we will not attain permanently stable democracies until Latin America unites, because democracies cannot have solid foundations unless they are economic models of consumption and development. The integration of Latin America is an economic model of consumption and development and it is the only way for our countries' democracies to have a sufficiently solid foundation. The debt -- and nothing else has been able to unite all Latin Americans beyond our fraternal and friendly relations -- is forcing us to make decisions that we can make without sitting around a table. We are making decisions by ourselves behind the backs of other countries. However, we are making decisions, and that is important.

The debt problem is writing a long page in history that we do not dare to write. Our products are worth increasingly less. Protectionism, which President Sanguinetti has criticized, is threatening us. We have increasingly fewer resources. Conditions for new credits -- which lead to currency devaluations, interest and inflation rate increases, and reduction in consumption -- are imposed on us. Our peoples will not tolerate this much longer. Good leaders are gradually discussing and consolidating a unity of decisions, which will open the doors to the future history of Latin America.

I believe this is an irreversible course for us. Each of us has begun bilateral negotiations with the IMF and commercial banks. Sometimes these negotiations are positive, but they are temporary. The next step is a unilateral decision like the one made by Brazil and decisions similar to Brazil's which other countries are making. We will gradually unite on a single continental decision. We will transcend our various points of view and gradually unite to point out those problems, which are essential because we are democracies, and, as such, we defend the lives of our peoples. That is the positive aspect of the debt problem.

In these 20 months, we have kept our pledge of limiting debt payments. As a result of this we now have more foreign reserves than we had 20 months ago, much more foreign reserves than we had 20 months ago [repeats himself] as a result of the implementation of an economic policy that has allowed us to grow. In 1986, Peru's gross national product grew 8.9 percent because we implemented a policy that was diametrically opposed to the policy that had been implemented before, a policy that was radically opposed to the policy in IMF letters of intent.

A single concept for the economic management of our countries has been preached to us, and in this we have also fallen prey to ethnocentrism: the application of similar ideas to dissimilar peoples. Ethnocentrism is incorrect thinking. The position that maintains that socialism has universal and similar values and the position that maintains that liberalism spreads throughout the world in the same way are both mistaken at the core because we are dissimilar peoples.

The liberal theory, which can possibly -- and I dare not judge this -- be used in wealthy countries and in countries with full employment and with full use of their economic resources, cannot be used in poor countries like ours; at least not in Peru. The liberal equilibrium theory cannot be used in countries like ours. This theory, which sets forth that the doors of the economy must be open to the world market to balance and stabilize our economy with the world market, causes the destruction of our industry and exhausts our economic reserves because those things which we should be trying to produce domestically are imported. An economy that says that everything must be imported causes a shortage of foreign exchange and currency devaluations. A theory that maintains that devaluation must be balanced by increasing interest rates causes more inflation. A theory that causes inflation brings about recession. This is an uncontrollable vicious cycle.

In Peru we have set out to do exactly the opposite. If the debt must be paid -- and this is obligatory -- and this is obligatory -- then debt payments must be limited. If demands are made to devalue the currency, an excessive currency devaluation must be prevented. Interest rate increases must be contained. Inflation must be prevented, and demand and consumption must be increased. For the past 20 months we have been promoting demand in Peru by increasing salaries and by increasing the presence of the government in peasant sectors and unemployed sectors in the cities. Through this formula of improving the real capacity of wages and salaries alone we have reactivated the economy. We have set into motion all those things that were idle as a result of the policy of imports and the liberal theory. We have then, in 1986, the expansion and strengthening of demand and consumption in Peru, which caused an economic reactivation that allowed growth of 8.9 percent.

We have been asked how long we can maintain this economic growth. There will be a moment when we will need new investments and credits to expand industrial capacity. We have responded: This is precisely why we have limited the payment of the foreign debt, and this is why we are keeping inside the country the surplus from exports. This is also the reason we have limited imports, not needed for the country's development. This is why we must plan our economy, which is an action compatible with democracy. Planning information is not compatible with democracy. However, planning the economy is compatible with democracy especially under circumstances as dramatic as those that our country is enduring. We have confidence that by planning exports, withholding exchange and dollars, and by increasing exports through domestic incentive measures, we will obtain the necessary resources to guarantee the same reactivation levels that we reached in 1986.

Thus, by inverting the model used for 15 years in our country, we are obtaining some results. The 8.9-percent growth is a tangible and real result. The fact that such growth is not merely the result of the same centralist industrial model is a tangible and real result. The fact that such growth is not merely the result of the same centralist industrial model is a tangible and real result. Rather, it is a growth resulting from the redistribution to the peasant, unemployed, and most needy sectors in the country. I cannot bore you with the figures on the redistribution of income in the country resulting from this development model. However, I can tell you that the growth of the national economy and its reactivation have been carried out basically by directing it to the most needy sectors.

We have not redistributed the biggest resources as a gift to the Peruvian people, that is, as is done in some countries by giving away free food. What we have done is to create employment, jobs -- some 170,000 in 1986 -- to create more consumption and demand in Peru and thus reactivate industrial and agricultural production. We have confidence that this reactivation and growth will result in a good impulse on the reserves that we have been able to withhold thanks to our policy regarding the foreign debt.

Therefore, the foreign debt policy has had two effects: First, it has enabled us to maintain and increase the country's reserves. Second, it has allowed Peru to become independent from the IMF formulas. Had we followed the IMF formulas -- if we make a simple projection -- we would now have an inflation rate of several hundred percent and a recession in our production that would be unforgivable for the demands and needs of our people.

Naturally, many analysts and newsmen have asked us: Well, you do not pay, nor do you receive credits from abroad. You are reactivating the economy, and by doing that you are putting equipment and factories to work at full capacity. Later on you will need investments to put new equipment and factories into operation. We have responded that the secret is that we have understood that in our situation the foreign commercial credits are a myth, because we would have ended up paying much more than we had received. Our relations with banks always had negative results. Thanks to the withholding and restrictions on the foreign debt payments we now have greater resources for growth incentives. Some people tell me: Right, but there will be a moment when you will have exhausted such resources. We have responded: No! As long as we can maintain a good policy of withholding the resources produced inside the country, avoiding to pay for such resources as a debt, when such debt is unjust or is not urgent, and by avoiding the purchase of unnecessary products.

Then, some stubborn people tell me: Right, you will grow for 4 or 5 years and will not have \$1 then. I have responded: Let's agree with your hypothesis, but let's see the contrary. Had I applied the IMF policy in 1985, I would not have had \$1 in 1985 and would have had zero growth during 1985. On the contrary, you tell me I will accomplish some growth for 4 or 5 years, but then I will not have \$1. It is a risk, it is a possibility. However, a country that has achieved growth for 4 or 5 years after several years of recession is a country with a different qualitative condition to face the serious international problems and its serious development problems.

Therefore, the alternative we had and still have is crucial. We either pay, or we develop. We either pay, or we turn into a peaceful nation and enjoy more consumption, comfort, and more rights to combat the negative, violent ways some claim. We either pay, or we enjoy the right to live and have democracy in Peru. From our viewpoint, the alternative is not a banking accounting problem, as it can be seen from another point of view in the world. Rather, it is a vital problem. If Peru pays according to the established requirements in force, it will have to sacrifice its democracy because it would have to implement economic policies that would only lead it to worse crises and disasters.

Naturally, all these will not resolve the problems immediately. There is not a formula to permit an underdeveloped country to get out of such backwardness immediately. There is not a formula that will permit a poor nation to immediately meet the consumption needs resulting from advertisements and television. All this adds and maintains a state of dissatisfaction among our people, despite all our accomplishments. This is the truth. We are pleased because during the 20 months of my party's government -- the APRA [American Popular Revolutionary Alliance] -- the minimum wage, for example, the wages of the poorest have increased by 250 percent. When we reached power 20 months ago, the minimum wage was 260,000 soles. Today, it is 1,250,000 soles. It has grown by 250 percent.

In these 20 months, inflation has been less than 150 percent so far. This means purchasing power has actually improved. However, we not only have economic problems and political violence, but we also have problems with the labor leaders and workers who are dissatisfied. Why? Because the wishes to improve the people's living conditions are extremely incompatible with the slow process to rebuild the national economy. We need to develop a national awareness in order to face this problem, and our press must fully participate in this process. If we do not have this, we might succumb to the immediate [inmediatismo] demands. If we cannot withdraw ourselves from the responsibilities of a society that grows slowly from a big crisis, we might remove ourselves from that responsibility and fall into the immediate disorder and make ill use of our minds and freedoms. [sentence as heard] However, gentlemen, these are the risks of a government having problems.

I am here to explain this to you and tell you that enforcing the policy of increasing demands was possible in Peru because we had many unemployed people. Perhaps this policy would not work in a rich country, where most people are fully employed, where perhaps that liberal policy can work out. However, that does not work in our country. In our country, we have promoted demand in order to reactivate the country, and restricted foreign payments in order to save foreign currency with which to finance the continuous development of our economy, by reorienting the economy in order to decentralize it, to orient it again toward the Andes and agriculture. We are also trying to modify the consumer's habits, which is the most difficult part of this policy.

Peru is a country rich in fish, but our people rarely eat seafood and prefer red meat that other countries have, but which we do not have. We have no plains, no conditions suitable for producing red meat. Our image and our consumer's habits are distorted. The press must play a very important role and help, together with the government, to reorient the consumer's habits, which is essential in the economic reconstruction of the country.

The model we have launched has never sought any triumphant goals. We never set a goal of achieving zero inflation, as that can only eventually lead to economic recession. We never sought to promote large demand, excessive demand, because we knew we would need many dollars with which to finance the growth of the excessive demand.

We have accepted the inflation that dropped from 250 percent to 62 percent in 1 year. Others would have sought the illusion of zero percent inflation. We say that is impossible. There is no sense in dreaming about an inflation rate that will drop from 250 percent to zero percent in a single day, without entailing catastrophic economic consequences. We have promoted the demands and consumption of the poor sectors without falling into the illusion of multiplying that demand for a single moment, because we are aware of the restrictions in importing and financing that such an accelerated growth would have demanded.

Thus, in that field, we have acted somewhat against the temptation of not falling into a triumphant attitude. A triumphant attitude is the worst enemy of a politician. A triumphant attitude is the worst enemy of a politician. A triumphant attitude is the worst enemy of reality. We cannot adopt a triumphant attitude on the issue of violence when we admit there are old causes and great difficulties ahead; or in the issue of economy, where we also have historical causes and great difficulties in rebuilding. Democracy is a goal we must patiently await in this hemisphere that is yet to become a community. [sentence as heard]. Democracy has much patience, as Buffon used to say concerning nature. Nature has much patience. In our country, democracy has much more patience.

We must have the patience to build the conscience, to build the economy, without falling into a triumphant attitude. We must have the patience to defeat the anomalous and negative factors of violence that stem from history. Without this meaning it no longer is democracy. We must have the patience to understand all opinions and all proposals without falling into a dictatorial fascism of silencing people and canceling freedom of expression.

The limits of these efforts are in the problems themselves, the fragile nature of the economy that suddenly breaks into speculation or an increase in the price of the dollar. There is also the fragile nature of the lives of the citizens, who are suddenly confronted with a blackout or hear the news that two policemen were killed that morning, two more policemen in another part of the country were killed, and a city mayor elected by the people was also murdered. Everyone wonders: What is the government doing? The government does what it can do and should do within democracy. We could prevent all of this by putting an end to democracy and preventing the people from learning that those who policemen were killed.

However, that is the ostrich policy, as we say, burying one's head in the sand and thinking that history and life do not continue. We must encourage and allow the press to report news and develop an awareness. The restrictions on our efforts, for violence and the economy, are there. However, we state that in spite of all this, we want to build something different. We want to make Peru a country with more freedom. We want to make Latin America a sovereign hemisphere that will once again find its unity, and therefore its spiritual identity. We want to make Latin America the fatherland of the future. We want -- and this is important -- to continue wanting. The important thing is to understand that life is not a defeat. The important thing is to believe that although someone may have only 1 second left, many great things can be done.

Even if we had only 1 second to go, we would continue fighting for the idea of Latin American integration. Peru might be able to solve, through its own means, the issue of violence. Peru might be able, in its own way, to stabilize its economy by increasing consumption. However, it will not achieve thorough and historical democracy until all the peoples of Latin America unite, as other great nations have united.

We do not have different languages, nor do we have different religions or races; we are the same, and we must take the historical step toward this unification. It is our duty to create the future and turn Central America into a different example for humanity. We are not richer or poorer than the countries from which you come. There are many countries that have money, power, and influence. We aspire perhaps to a more modest wealth, but wealth nonetheless. We aspire to accomplish spiritual wealth, the wealth of human values, in which the techniques can be planned. We do not want wealth that is controlled by techniques. We aspire to achieve wealth in which we can administer consumption and not be manipulated by consumerism. We aspire to a new ethics that will not fall to consumerism. That is why we combat drug addiction and trafficking, which are the most accurate expressions of the system's desperate consumerism; to consume until reaching permanent dissatisfaction. The drug is the caricature of the consumerism system.

In addition, I can tell you that in synthesis, the society we want must be constructed with ethics, by shaping a new man, relieved from secondary aspirations. Those who want to have a lot of money, who want to have a lot of power to flaunt pretentiously, or who want to have world-wide influence to subordinate all the small nations have sick soul. Those who are slaves to their own evil passions cannot preach about liberty. We want a continent with more spiritual liberty, perhaps without bombs and cannons, perhaps without huge banks or money, but with a greater spiritual transparency than we have in the path we were following.

I also want to say that liberty is essential to accomplish these plans. There is no socialism or nationalism without liberty. There is no anti-imperialism without liberty. Liberty has its own risks. It makes rulers and statemen impatient. It is very worrying to read editorials and headlines, each one more dramatic than the other. We would very much like to see a permanent calmness in our society. That is a dream and as a good dream, it is the dream of a good fascist. [sentences as heard] We must agree to the dynamism and the thoughts of our societies. Kant said: I slept, and I dreamt that life was beauty, but I woke up and confirmed that it was duty. Our duty as statesmen before the violence and economic crisis is to strengthen democracy further. Today, I have many urgent problems in Peru. However, I have not forgotten the main point, which is the sacred right of expression and the right to manifest opinions.

I have come here to tell you that despite all its problems, Peru will be constructed as a new democracy by deeply respecting those rights.

Thank you very much. [applause]

GOVERNMENT REQUESTS EXTRADITION OF DEL PINO'S SON

FL012353 Havana Radio Rebelde Network in Spanish 2300 GMT 1 Jun 87

[Special report from the Foreign Ministry by Orlando Contreras]

[Text] This afternoon, the Foreign Ministry asked the U.S. State Department to return the minor Rafael Del Pino Lopez. Luis Garcia Peraza, director of the North America and Canada directorate of the Foreign Ministry, presented the note to John Joyce, acting chief of the U.S. Interests Section in Havana. In this way, the Foreign Ministry complied with the request received last Friday [29 May] from the mother of the youth, Rafael Del Pino Lopez, asking the Foreign Ministry to call for the extradition from the U.S. Government of the minor, who was kidnapped on Thursday, 28 May, by the traitor, Rafael Del Pino Diaz.

Mr Joyce refused to tell journalists the current location of the kidnapped minor and he said he had no comment on the request he just received.

CASTRO AT FARMERS SESSION DISCUSSES MOTOR REPAIR

FL291555 Havana Television Service in Spanish 0000 GMT 17 May 87

[Report by Lissette Bustamante and Nelson Notario Castro from Palace of Conventions in Havana]

[Excerpts] Greetings, comrades. The Seventh National Association of Small Farmers [ANAP] Congress continued today in this capital with the attendance of Commander in Chief Fidel Castro. The topics discussed today were sugarcane harvesting and related activities, and the need for technicians and engineers to support this important economic activity. The correct use of the soil, construction of houses at cooperatives, and the payment for these houses were also discussed during today's session. Another topic debated was the people's demands concerning the production of vegetables, and everything concerning the agrarian production cooperatives' self-support. The repair of motors was a topic discussed at length during the session; this included transportation vehicles and agricultural machinery.

[Begin recording] [Carlos Manuel Baez] We thought the repair of motors should be concentrated in one shop but the matter got out of hand. We sent all types of motors to one shop, even when the motors needed minor repairs. In 1986 we began to offer some spare parts to the CAI [Industrial Automation Center] and cooperatives, so they could repair motors which had problems with only one element. For example, a motor with a damaged piston, valve, or ring. Therefore, we set aside 12 percent of the spare parts sent to the main plants and distributed them throughout the provinces. This way the motors do not have to be sent to the plants, which will only handle motors that need a major overhaul. This work is done with mobile diagnosis laboratories, which can handle the work.

[Fidel Castro] In other words, the main plants only handle motors that need a major overhaul.

[Baez] Yes, major ones.

[Castro] You said that things got out of hand and motors were being sent in for any minor repair.

[Baez] Correct.

[Castro] Well, you also said that you favor decentralization.

[Baez] Yes, for the...

[Castro, interrupting] This involves sending spare parts so the minor repairs are done on site and there is no need to send out the motor. What you say seems to imply the centralized shops are convenient [as heard] for our national economy, given the spare parts that are saved, recovered, etc. Likewise, you said it is not advisable for a cooperative to carry out a major overhaul.

[Baez] Exactly.

[Castro] Furthermore, you say that the country will benefit from this, economically speaking. This is easily understood, because you save parts and materials. What is the reaction of users who had to send out their tractor motor or equipment for repairs?

[Castro] They say that this is beneficial in the long run because, given the current situation, their motors do not last long. The clients' motors will not last long and they will have to purchase a large stock of spare parts when their motors need a major overhaul. Referring to the motors' durability... [changes thought] I don't know because I have seen many jalopies around here. I do not know how the owners solve that problem. I think that these vehicles are not sent to a shop for major overhauls. There are some trucks and automobiles [laughs] that are at least 30 years old. These are repaired with Soviet spare parts, and this and that. I imagine this also leads to bartering and wagging, but the vehicles still work. Anyway, I wanted to ask you: You say you have good mechanics -- expert people and what have you -- and a good repair shop. Does this mean your mechanics and your shop can handle major overhauls?

[Manuel Lopez] We are already doing that. We handle the Harvester engines, Hino trucks engines, and everything else.

[Castro] How do you manage? Where do you get the spare parts?

[Lopez] We got some spare parts by repairing them. We have a plan to repair all the engines in Hino trucks.

Two trucks broke down right in the middle of the sugar harvest and we repaired them within 4 days. We have motors which were given a complete overhaul and have not broken down again. These are motors for trucks that handle 1 million arrobas of sugar cane.

[Castro] A complete overhaul?

[Lopez] Yes, a complete overhaul. The motors were taken apart and every part was inspected. Commander, we do this...

[Castro, interrupting] How much did this cost?

[Lopez] Well, each repair job cost us, if you add the spare parts and salary, 500 pesos. The repair of a motor formerly cost 1,600 pesos. With due respect for the comrades in charge of quality control, we sometimes installed motors that had been sent for repairs and they broke down again within a week. I say this with due respect. I respect them and accept their word.

[Castro] Yes. You say that when you send a motor for repairs it usually costs 1,600 pesos.

[Lopez] Yes, 1,600 pesos. That was the cost in the past. That was the cost.

[Castro] Yet the repairs now cost 500 pesos.

[Lopez] They now cost 500 pesos.

[Castro] The same type of repair?

[Lopez] The same and...

[Castro, interrupting] The same type of job?

[Lopez] Yes.

[Castro] How long does it take you to finish the job?

[Lopez] Well, the cost of the repair is usually 47 pesos.

[Castro] The cost of what? [Someone whispers: "He asked how long it takes."]

[Lopez] The money we pay the mechanic. This takes approximately 4 days...

[Castro interrupting] When you talk about 500 pesos you mean the mechanic's pay plus the spare parts.

[Lopez] Yes, plus the spare parts. The spare parts cost approximately 400 pesos.

[Castro] Correct. How long does this take?

[Lopez] Approximately 4 days. The mechanic works with an assistant. He works until the motor...

[Castro interrupting] Did you rebuild any spare part?

[Lopez] We do rebuild the spare parts. If anyone worries that a spare part will wear out I tell them not to worry because when you have to pay, when you have to pay [repeats himself] you purchase what is necessary. However, when someone else pays the bill you don't worry about that.

[Castro] Do you purchase the...

[Lopez interrupting] We purchase [corrects himself] we take the motor apart and every part is inspected. We request the spare parts that we need. If any part is damaged -- the pistons, sleeves -- we take the motor apart. The mechanic says: Look, we need this and that. So we have to buy them.

[Castro] Yes, of course. I asked you: How long does this take?

[Lopez] To repair it?

[Castro] Yes.

[Lopez] For days, more or less.

[Castro] How long does it take when you send it to the main workshop?

[Lopez] No, no, no. Some motors have been there for 6 months!

[Castro] Six months, eh?

[Lopez] Yes, that is the truth. Everyone here knows that.

[Castro] Yes, yes, yes...sure, sure, sure.

[Lopez] This is not something new!

[Castro] What is the quality of the work?

[Lopez] Well, Commander, as I said, we have experience on this. Some repaired motors were installed and they broke down within a week.

[Castro] They broke down?

[Lopez] Within a week. We have also received some good quality motors. There is something else, Commander. We sent a motor [changes thought] Please pay attention because this is something that we can prove. We defend our work because we want our work to be profitable. Well, we sometimes sent a motor for repairs without going inside simply because we had to. We had to send it like that. We could not open it, even if the problem was simply a damaged piston. Anyway, the motor had been working for 2 years and when we got our motor back it turned out they had sent us a patched up motor that is 5 or 6 years old. My motor was not sent back. I was sent one that is 5 or 6 years old. I wish they had sent mine.

[Castro] You sent one motor and received another.

[Lopez] I received another; whichever one they repaired.

[Castro] I see. I don't think that you got paid for the one that you sent.

[Lopez] No, no, no. We have not been paid at all. I have received no money. Anyway, it seems that a price will be established and we will be paid.

[Castro] Very well. We will continue to think about this. Let's hear what the comrade wants to say.

[Baez] I want to mention the case of the repairs carried out at Manuel's cooperative. This was possible because spare parts were shipped to the provinces so they could handle small repairs -- for example, a loose piston or something like that. Sometimes a complete assemblage is sold to repair a motor, but this is not correct; you should first check the damage. Anyway, we are now sending spare parts to repair the...

[Castro, interrupting] Where do you have the national repair workshops?

[Baez] The national workshops? The workshops to repair motors?

[Castro] Yes, to make these repairs.

[Baez] Yes. the T-75 and C-100 harvesters are repaired at the Lenin Workshop in Camaguey. The [name indistinct] and MT-380 tractor motors, and Romanian motors are repaired at the Villegas Plant in Villa Clara. We will also repair the [name indistinct] motors sent from the eastern provinces in Holguin, where we repair truck engines, because the Villa Clara workshop cannot handle all the work. The Cabre workshop can handle 500 [name indistinct] motors and 200 MT-380 motors.

[Castro] Perhaps it will be necessary to review all this to see what can be done because many of those things... [changes thought] anyone can understand, anyone can understand [repeats himself] that if you have to send equipment for repairs to Camaguey, or another province in the country, this involves all kinds of inconveniences -- shipment expenses, waste of time, quality of the repair, who is responsible, who handles complaints when the work is not done well, change of motor, and change of spare parts. Once the motors arrive all the parts are disassembled. I imagine that all this must certainly represent a problem and lead to complaints -- particularly when a motor is sent back and it doesn't work, or the motor breaks down in a couple of weeks. There is no guarantee. We would also have to analyze the cost of all this. Well, that is the large repair companies' job. Are your organizations profitable?

[Baez] The Villagas and Lenin [workshops]?

[Castro] Yes. Are they profitable?

[Baez] Yes, they are profitable.

[Castro] However, the state cooperatives and enterprises are not profitable but we need their services. [applause] I might ask whether the workshops are profitable by judging their efficiency -- because their productivity is high, their workers are disciplined and work as long as necessary, the people are well organized, there are no sinecures, and there is no bureaucracy. Is that profit the result of great efficiency or high prices that allow a high profit? I know that many of the so-called profitable companies simply exploit the people. This includes the service companies and such -- which are extremely expensive. Does the agriculture sector have centralized workshops like these?

[Baez] Yes, they do.

[Castro] All right. It seems we have to analyze this. We must see what we have. I would say we have to rationalize this. We must see what is most convenient in the majority of the cases and establish a better distribution of spare parts to organize the decentralized workshops' activities. It seems that the concept has to be modernized. However, we must also hear the views of those who advocate centralized workshops and see what ideas they have. [passage omitted] [end recording]

CABRISAS VISITS EAST BLOC COUNTRIES

For East European media coverage of the visit of Foreign Trade Minister Ricardo Cabrisas to Poland, the GDR, and Hungary, see the appropriate sections of the 21 May East Europe DAILY REPORT and subsequent issues.

BARBADOSERROL BARROW DIES, SANDIFORD APPOINTED

FLO20327 Bridgetown CANA in English 0256 GMT 2 Jun 87

[Text] Bridgetown, Barbados, June 1, CANA — Prime Minister Errol Barrow, the astute lawyer-politician, who led Barbados into independence from Britain almost 21 years ago, died suddenly today at the age of 67.

An official announcement said 50 year-old educator and deputy Prime Minister Erskine Sandiford had been sworn in as his successor. The statement did not give the cause of death, but said Barrow died at his home.

Radio stations and the lone television channel broke into regular programming to make the announcement and continued with solemn music and tributes to the man who has been referred to as the father of the nation.

Officials of the ruling Democratic Labour Party (DLP) Barrow co-founded in 1955 said he was expected to chair an executive meeting tonight. Party headquarters took on a sombre air as the news broke, with stalwarts weeping openly.

It is the second time in two years that the nation has been thrown into mourning over its leader, following the death in 1985 of Prime Minister Tom Adams. Adams was succeeded by Bernard St John, who was himself defeated in general elections by Barrow May 28 last year, making Sandiford the country's fourth prime minister in 28 months. Sandiford, minister of education and culture, has reappointed all members of the Barrow cabinet.

Barrow's last public act was to speak at a meeting of his Democratic Labour Party (DLP) last Friday [29 May] night to celebrate the party's first anniversary in power.

Retired parliamentary speaker and lawyer Sir Theodore Brancker, a long-time political associate of Barrow said the indefatigable Barbados leader, who maintained a punishing schedule over the last 12 months, went into a coma today.

Foreign Minister Sir James Tudor said the cabinet had met and unanimously chosen Sandiford as the new leader. A period of mourning begins tomorrow and is expected to continue until the date of the funeral, which is still to be announced. Barrow had led the nation for 15 years from 1961-76, followed by 10 years in opposition and a triumphant return to power last year with a record 24-3 majority in Parliament.

Dominica Prime Minister Eugenia Charles, in a brief comment, described him as the grand old man of regional politics and said he will be missed. Callers to local radio variously praised him as a model contributor to our nation and a beacon in the Caribbean. Barbados opposition leader Henry Forde described Prime Minister Errol Barrow as a man who gave unstintingly to the political life of this country since his return to Barbados in 1950 to pursue a career in law and politics.

As an advocate of Caribbean integration, he never failed in fighting for the causes of Caribbean nationhood and independence, the former foreign minister added.

He said the high point of Barrow's career was certainly in the 1960's when in the full vigor of his 40's he led Barbados into independence and presided over a period of economic prosperity.

GRENADA

PARLIAMENTARY OPPOSITION FORMS FIRST SHADOW CABINET

FL012237 Bridgetown CANA in English 2025 GMT 31 May 87

[Text] St Georges, Grenada, May 31, CANA — Grenada's six-member parliamentary opposition has formed its first shadow cabinet, informed sources said. Former Education Minister George Brizan has been given the task of shadowing some of the portfolios held by Prime Minister Herbert Blaize, CANA was told. Brizan, who resigned from the two-year old government last month, will be responsible for finance, tourism, and planning.

Political observers see this as an indication that 44-year-old Brizan would most likely head a new party, which is expected to be formed by three ex-government ministers.

Opposition leader Phinsley St Louis is the spokesman on communications, works, civil aviation, and public utilities, while former Attorney-General Dr Francis Alexis is the shadow minister for legal affairs, foreign affairs, local government, and community development. Ex-Junior Minister for Legal Affairs Tillman Thomas will monitor the portfolios of education, youth, sports, social affairs, and Carriacou and Petit Martinique affairs, while former Junior Minister for Education Kenny Lalsingh is looking after health, housing, and women's affairs. The other opposition member, Marcel Peters, would be the spokesman on agriculture, lands, and fisheries.

Grenada's ruling New National Party (NPP) government holds a 9-6 majority in the lower house, with general elections constitutionally due in 1989.

HAITI

SHOOTING REPORTED NEAR NATIONAL PENITENTIARY

PA0911600 Hamburg DPA in Spanish 1541 GMT 1 Jun 87

[Text] Port-au-Prince, 1 Jun (DPA) — Numerous shots were heard early today in the vicinity of the national penitentiary of Haiti in Port-au-Prince. The shooting lasted for more than 15 minutes and apparently came from automatic weapons.

Although the government has not given any information on the incident, political observers stated the prisoners, who include several former officials of the deposed regime of Jean-Claude Duvalier, are protesting the terrible prison conditions.

JAMAICA

SEAGA REPEATS CHARGE ON CUBAN TRAINING

FL281550 Bridgetown CANA in English 1755 GMT 27 May 87

[Excerpts] Kingston, Jamaica, May 27, CANA -- Prime Minister Edward Seaga is repeating an allegation that members of the youth organisation of the opposition People's National Party (PNPYO) have gone to Cuba for military-type training despite denials from PNP Chairman P.J. Patterson. Seaga first made a similar allegation at a ruling Jamaica Labour Party (JLP) rally Friday night, claiming that nine members of PNPYO had already left for Havana to be trained in electioneering tactics.

Patterson rejected the charge. [passage omitted]

However, Seaga in a statement last night said his information was based on intelligence reports from the family members of certain of the recruits who are disturbed at the real purpose of the training. They had been told that the purpose was for a kind of military-type brigadista training to be used in the forthcoming general elections. [passage omitted]

Seaga said Patterson had ignored his charge that a senior PNP official had taken money to help set up Libyans with Jamaican wives so that Tripoli could establish a terrorist base here.

The government does not intend to allow these undercover activities to go unnoticed and the PNP's role in relation to such activities and its connections with Cuba and Libya in this and other matters will be fully exposed, Seaga said in last night's statement.

The PNP has on several occasions in the past denied involvement with Libya as suggested in documents, seemingly prepared by Washington, that have been circulated in the region.

ST LUCIA

OPPOSITION'S CENAC CROSSES OVER TO COMPTON'S SIDE

FL011657 Bridgetown CANA in English 1650 GMT 1 Jun 87

[Text] Castries, St Lucia, June 1, CANA -- Opposition parliamentarian Neville Cenac crossed the floor here today, strengthening the slim majority of the John Compton government.

There was no official announcement. But when parliament met to debate the budget Cenac, who easily won his Laborie seat in last month's general elections, took his place on the government benches. Official sources told CANA Cenac would take over the foreign affairs portfolio from Prime Minister Compton.

Compton's United Workers Party (UWP) emerged from the April 30 elections with nine of the 17 seats -- the remainder going to the St Lucia Labour Party (SLP).

Appointed Foreign Minister

FL012112 Bridgetown CANA in English 1807 GMT 1 Jun 87

[Text] Castries, St Lucia, June 1, CANA -- Opposition parliamentarian Neville Cenac was today named as St Lucia's new foreign minister, after crossing the floor to shore up the slender one-seat majority of the ruling United Workers Party (UWP).

A brief official announcement said Cenac, who last April 30 won his Laborie seat on a St Lucia Labour Party (SLP) ticket, was sworn in this morning by Acting Governor General Vincent Floissac. The Foreign Ministry was previously held by Prime Minister John Compton.

First sign of the switch in allegiance came when parliament met this morning to debate the administration's 1987 budget and Cenac took his place on the government benches. Neither Prime Minister Compton nor opposition leader Julian Hunte, who both spoke, touched the issue in the early session of today's House of Assembly meeting.

Asked by reporters during a brief parliamentary recess to confirm that he had switched sides, Cenac replied: "Yes." Pressed further to explain his move he simply said: "Broken promises." This was seen here as reflecting post-election differences between the SLP hierarchy and Cenac, who was the leader of the opposition before April's general elections. The floor crossing gave Compton's UWP a 10-7 majority in the House.

Deputy SLP leader Peter Josie told reporters the differences between Cenac and the party centred on which shadow ministry he would have been allocated in this session of parliament.

The new foreign minister is the brother of former St Lucia Prime Minister Winston Cenac, who served briefly before the SLP government fell in disarray more than five years ago.

ST VINCENT AND THE GRENADINES

INFORMATION MINISTER STANDS BY DIRECTIVES

FL231503 Bridgetown CANA in English 2053 GMT 22 May 87

[Text] Kingstown, St. Vincent, May 22, CANA -- The minister of information in St Vincent and the Grenadines says he is standing by his controversial directives on news reporting to the state-owned National Broadcasting Corporation (NBC).

But Parnell Campbell says he is prepared to meet with the president of the Caribbean Media Workers Association (Camwork), Rickey Singh, on "ancillary matters" only. Campbell said that he readily agreed last Tuesday to see Singh even though he thought the matter was purely domestic in nature, but said since Singh's statements on radio yesterday he had changed his mind about the nature of the meeting.

I would not entertain any discussions with him on my ministry's policy directives. Those are non-negotiable, and I intend to stand firm on them, Campbell said.

The Guyanese journalist had described the directives as rather offensive and harmful, and said he hoped the minister would reconsider some of them in the interest of press freedom, open government and the good of the country itself. Singh said from his Barbados base today that Campbell had agreed to a meeting on Monday to discuss the "general dispute" which had led to an apparent sick-out by some NBC news staff.

The directives instruct the news staff of NBC radio 705 not to edit government releases except with the permission of the authority issuing the releases, direct that persons whose names appear in news items must be referred to by their official designations, Mr, Mrs or Miss, and empower only the station's manager to approve material for broadcast from opposition parties.

The Vincentian Association of Journalists (VAJ) has issued a statement expressing concern over the situation. The VAJ said it viewed the present strained relations at the station as a direct result of the directives issued four weeks ago.

It described the directives as a dangerous threat and said the failure to hold dialogue on the matter before their implementation was an insult to the values, judgements and professional ethics of the workers concerned. The VAJ said it considered the situation to be an unfortunate development.

NBC Staffers Return To Work

FL251714 Bridgetown CANA in English 2202 GMT 23 May 87

[Text] Kingstown, St Vincent, May 23, CANA — Five of the eight members of staff of the National Broadcasting Corporation (NBC) who were on apparent sick-out since last Tuesday in protest at a series of controversial directives issued by Information Minister Parnell Campbell, returned to work today. The other three are due back by next Tuesday.

Senior news editor Theresa Daniel and sportscaster Alston Jack were on duty early this morning to prepare and present the stations morning sports and news. Later, news editor Kendol Morgan and reporters Laverne Gibson and Corlita Ollivierre returned to work.

Programme director Shelly Clarke and another news editor Bernard Joseph are both due back on Tuesday, and the eighth person, Jose Jules from the commercial department, returns on Monday.

The board of the NBC has given the eight plus another three employees who signed a letter protesting the directives until Tuesday to state in writing whether they intend to work along with the directives which curtail the rights of the news department to edit government releases and empower only the station's manager to authorise information for broadcast from opposition parties.

One of the senior members who was among those reporting sick this week said it was a matter for each worker to make up his mind on the issue.

Latest criticism of the directives has come from the Joint Workers Council (JWC), an umbrella committee of the five active trade unions here. A statement signed by officials from four of the member-unions of the council described the directives as dangerous and aimed at depriving the workers of this country of vital information that should contribute to their social and political development.

Staffers Abide by Directives

FL292348 Bridgetown CANA in English 2257 GMT 29 May 87

[Text] Kingstown, St Vincent, May 29, CANA -- A month-long editorial dispute at the state-run radio station appears to be over.

The board of the National Broadcasting Corporation (NBC) today accepted letters from seven dissident members of staff who have agreed to a series of controversial policy directives by Minister of Information Parnell Campbell.

Acting NBC chairman, Hermus Liverpool said the seven staffers -- the programme director, senior news editor and five journalists -- had clearly and unambiguously agreed to abide by the directives.

Campbell issued the directives in May 1 forbidding the news department to edit government releases except with the permission of the authority issuing the releases, and empowering only the station's manager to approve information from opposition parties for broadcast.

Eleven members of staff officially protested to the board about the directives, but four of them agreed on Tuesday to abide by them after the board had told them they must either carry them out or resign. The other seven said that the directives were being carried out and reiterated their desire for discussions on matters of grave concern.

The board said their response was equivocal and issued them with an ultimatum for a reply by noon yesterday, stating their intentions clearly and unambiguously or be fired. Liverpool said the matter had been amicably resolved and that Campbell would be meeting with the board and the entire staff next Monday to discuss any other grievances.

EXCELSIOR CITES PASTORA ON CIA INVOLVEMENT

PA311920 Paris AFP in Spanish 1635 GMT 31 May 87

[Text] Mexico City, 31 May (AFP) — The Mexican newspaper EXCELSIOR today said that U.S. Vice President George Bush is directly involved in the Irangate case as one of the "leaders" of the operation to support the Nicaraguan counterrevolution, an operation that included the participation of drug traffickers and Cuban anti-Castroites.

The newspaper cited a statement — made to a Miami court that is hearing a conspiracy case against 29 U.S. citizens — by Eden Pastora, who was called "Commander Cero" during the anti-Somozist struggle, and later was leader of an armed anti-Sandinist group.

According to the document the newspaper had, "the masterminds of the operation" were, in addition to Bush: Robert McFarlane, a member of the National Security Council (NSC); William Casey, former CIA director; Elliott Abrams, assistant secretary of state for inter-American affairs; and Oliver North, a national security adviser.

Until now, Bush, unlike some of his subordinates, had not been directly accused of illegally supporting the Nicaraguan contras, support that was discovered following the disclosure of the Irangate scandal. According to the newspaper report, Pastora said he established contact with the CIA in Mexico between January and February 1982 at a meeting attended by Dick Claridge, an official of the CIA's Latin American Affairs department; and John Hull, then "station chief" in Costa Rica. It was decided in that meeting that the CIA "would give us economic and military aid, whatever we asked for," according to the text reproduced by the newspaper. Pastora specifically admitted he initially received \$150,000 delivered between September 1982 and March 1983.

Beginning in April 1983, he added in the statement obtained by the newspaper, the CIA began to send him military supplies that consisted of Belgian-made FAL rifles dropped by parachute in Guanacaste on the northern border with Nicaragua.

Former Commander Cero disclosed to the Miami court that the U.S. intelligence agency employed in the anti-Sandinist struggle a group of 30 to 40 Cubans with U.S. citizenship who were stationed on the border between Costa Rica and Nicaragua and who were headed by Rene Corbo and Felipe Vidal. The latter, the newspaper added, "was apparently linked with retired General Richard Secord, one of the key Irangate figures," and was protected in Costa Rica by the late civil guard, Colonel Rodrigo Paniagua, who according to the newspaper, was "always" connected to drug trafficking.

The front-page EXCELSIOR article — headlined "Bush, Anti-Castroites, and Drug Traffickers Linked to Irangate" — is the first in a series that continues on Monday.

SOVIET ENVOY SAYS MEXICAN POLICY 'WELL DEFINED'

PA300357 Mexico City UNOMASUNO in Spanish 27 May 87 p 21

[Report by Marco A. Mares]

[Text] Rostislav Sergeyev, Soviet ambassador to Mexico, said yesterday that the USSR does not share Hernan Cortes' viewpoint when he conquered Mexico. Actually, he added, that is an idea only shared by imperialist U.S. circles today.

Upon being questioned during a news conference about recent statements by U.S. officials and President Ronald Reagan that the Soviets plan to use Mexico as a stepping stone to establish communism on the continent, the diplomat said that the opposite is true as reflected in Lenin's works, which are compiled in 55 volumes. He pointed out that Lenin said during World War I and the Mexican Revolution that the United States plans to "strangle and devour" Mexico.

Sergeyev said that economic and technical-scientific cooperation between his country and Mexico to achieve greater bilateral exchange to benefit the two countries is increasing every day.

He pointed out that Mexico's foreign policy has a well-defined tradition of supporting the most noble causes of peaceful coexistence, self-determination, respect for sovereignty, and the struggle to achieve nuclear disarmament.

Sergeyev said that Mexico has stood out within the Group of Six for its peace initiatives, as well as within the Contadora and Support Groups. He referred to the publication of the initiatives of the Group of Six New Delhi by NOVOSTI. Sergeyev said these initiatives show the world's firm determination to achieve disarmament and peaceful coexistence.

He said the Group of Six represents a new international political mentality requiring concrete steps in favor of disarmament and nuclear survival. However, Sergeyev admitted that a denuclearized and unarmed world seems like a dream to many countries today. Nevertheless, he pointed out, the future of the nonviolent world is not a dream.

DE LA MADRID MEETS WITH GOVERNORS ON ECONOMY

PA302031 Mexico City XHTV in Spanish 0200 GMT 30 May 87

[Text] President Miguel de la Madrid said today in Tlaxcala before a group of governors from the central states that the current economic policy will continue with firmness and determination. He said there will be tactical, but no strategical adjustments.

The president stated that his government's economic policy has been realistic, albeit severe, and has required efforts from all Mexicans and from the government. De la Madrid said he will consolidate previous accomplishments and will not fall prey to the temptation to show off as the end of his 6-year term approaches.

De la Madrid said that neopopulist or demagogical policies have been rejected because they pose the greatest threat to the nation's independence and social justice. The president said the economic policy was designed to defend Mexico's independence and sovereignty, and that politics has not neglected the social aspects of development.

De la Madrid said: We have tried to ease the negative effects of the crisis; in fact, they have decreased. However, the president admitted that the standard of living has declined. Our policy, he stated, has been not to yield to powerful pressure groups, but to protect the majority.

The president insisted that his regime cannot devote sole attention to or yield to pressure by large business, labor, or peasant organizations. He said he is obliged to meet the needs of the majority of the people. He acknowledged that the country is showing clear signs of economic recovery, but is not free of dangers.

The president spoke before the governors of the states of Tlaxcala, Mexico, Puebla, Veracruz, Queretaro, Morelos, and Hidalgo; as well as six secretaries of state and the attorney general of the republic. De la Madrid ended the series of meetings with regional governors with today's Tlaxcala meeting.

BRIEFS

DRUG CONFISCATIONS, ARRESTS — Reynosa, Tamaulipas — Federal Police officials disclosed Friday the arrest of two drug pushers who openly dealt heroin in the city's business area. Detectives frisked them and found them in possession of only a few grams of heroin. Police spokesmen said, however, that while searching the car's interior a rag doll grabbed their attention. The feds ripped the doll open and found the drug stash. Narcotic agents seized nearly 500 grams of heroin whose street value is estimated at 166 million pesos. Later Friday, Federal Police spokesmen also reported another dope sting on the West Coast where a squad of narcotics agents confiscated 18 kilograms of cocaine and 86 tons of marijuana. Federal police reports said that a special antinarcotics force was deployed for the confiscation of nine kilos of poppy glue in Mazatlan plus 4.5 kilograms of pure heroin in San Luis Rio Colorado, near the Arizona border. [Excerpts] [Mexico City THE NEWS in English 9 May 87 p 4 PA]

POLICE ANTINARCOTIC ACTIVITIES — Oaxaca, Oaxaca, Mexico, 14 May — Raul Juarez Carreno, commander of the 28th military zone, has stated that drug traffickers are active in 507 of the area's 570 municipalities. He added that large-scale operations against drug traffickers have been carried out in the past 90 days, and "more than 1.7 million square meters of marijuana and poppy fields have been destroyed." In addition, he said 61 persons have been arrested, and 98 weapons of different calibers and 10 vehicles have been confiscated. Meanwhile, the Sonora Federal Judicial Police reported that on 14 May they incinerated more than 3 tons of marijuana that had been confiscated in operations over the past 45 days. [Summary] [Mexico City EXCELSIOR (Los Estados Section) in Spanish 15 May 87 pp 1, 3 PA]

FMLN BOMBS LEAVE CAPITAL WITHOUT ELECTRICITY

PA011255 San Salvador Radio Cadena YSKL in Spanish 1224 GMT 1 Jun 87

[Report by Rene Hurtado]

[Text] A bomb has exploded on North Fifth Avenue, in the downtown area of Gobierno, destroying an electric tower. Reports state that the FMLN has deployed urban commandos to the capital in an attempt — according to the FMLN — to expose [desenmascarar] the 3 years of government of President Duarte.

The explosion took place in the downtown area of Gobierno. It destroyed electric towers and apparently electricity was interrupted throughout the capital. No radio station is operating on AM, and only YSKL is operating on FM with its own electric generators.

This took place moments ago. Throughout the morning, we have heard other explosions. The bomb destroyed main street electrical towers and as a result, there is no electricity in the capital. We are expecting a resumption of power shortly.

At any rate, the FMLN claimed responsibility for the explosion. That group pointed out that the action was carried out to protest and expose the 3 years of President Jose Napoleon Duarte's government.

According to the FMLN, the urban commandos will be observing developments in the capital.

UNGO ACCUSES DUARTE OF EVADING DIALOGUE

PA020218 Panama City ACAN in Spanish 0056 GMT 2 Jun 87

[Text] San Salvador, 1 Jun (ACAN-EFE) — Guillermo Ungo, leader of the Salvadoran guerrillas' political wing, today charged President Napoleon Duarte with "evading the dialogue and negotiation" to end the war.

The FDR president affirmed this afternoon that the Salvadoran president "has evaded our proposal to humanize [the conflict] and resume the dialogue to end the civil war."

Today, on the 3d anniversary of his presidential term, the Salvadoran president addressed the entire country and announced the implementation of some 50 laws and economic and social decrees. During his speech, Duarte did not mention at all the 18-point proposal presented 3 days ago by the rebels. However, Duarte announced that 98 disabled guerrillas will be permitted to leave the country to receive medical treatment abroad.

Ungo, interviewed by a local radio station, said that Duarte has: "First, evaded the dialogue and negotiations; second, clearly evaded our proposal; and third, disguised repression as amnesty, as a substitute for negotiation that has been demanded by the Salvadoran people and the international community." Also, referring to the economic measures announced by Duarte, which have to be approved by the Legislative Assembly, Ungo said: "Those are measures seeking to resolve the deep economic crisis but which require prior political measures." "The dialogue and negotiation are required to end the war," Ungo emphasized. Ungo, together with the FMLN, is trying to overthrow the Christian Democratic government.

The guerrillas' political leader explained that the government's permission for 98 disabled guerrillas to leave the country: "Is not a humanitarian and goodwill action by Duarte; rather, it is an agreement made in November and October, 1984, that the government usually does not heed."

In the proposal to humanize the conflict, the Salvadoran guerrillas promised to stop the boycott against the national economy. However, it demands that the Army cease the aerial war and the indiscriminate artillery shelling.

The Catholic Church, which has traditionally been a mediator in the conflict, yesterday showed signs that it hoped that today President Duarte was going to present a counterproposal to the guerrillas.

FMLN DEMANDS RELEASE OF POLITICAL PRISONERS

PA282219 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 27 May 87

[Station commentary]

[Text] As it did in the case of the war disabled, Duarte's regime is now trying to make a new move with what he calls partial amnesty. In addition to being part of international human rights agreements in our country, both the treatment of the war disabled and amnesty are achievements the people have attained by struggling. The so-called amnesty offered by the Christian Democratic Party is but a trick aimed at the Salvadoran people's right to justice. It is a propaganda move to get Yankee dollars in the form of foreign aid to pave the way for the next electoral farce.

What kind of amnesty does Duarte mean? How can he pose as the great war humanizer when everybody here knows that, since January 1987, no law has existed to justify the detention of the patriots who fill Mariona and Ilopango prisons? The detention of people for political reasons is illegal. Duarte has made these 1,200 political prisoners kidnap victims. How can the five Christian Democrats [not further identified] think they can make the people believe in the regime's constitutionality if they are the first ones who violate the law?

Our people have said the last word. Enough! The people demand the total, immediate, and unconditional release of all political prisoners. Otherwise -- and this is a warning to Duarte and Blandon -- the time will soon come when the people, like an earthquake, will break the bars of the Christian Democrats' dungeons and release our kidnapped brothers.

COPREFA DENIES FAS COPTER CRASHED IN HONDURAS

PA301840 Paris AFP in Spanish 1648 GMT 30 May 87

[Text] San Salvador, 30 May (AFP) -- The Salvadoran Army denied today that a Salvadoran Air Force (FAS) helicopter was downed on Friday allegedly by Salvadoran guerrillas in Honduras.

Coprefa stated that a report released in Honduras that a Salvadoran aircraft had crashed in the western Honduran department of Lempira along the Salvadoran border after being attacked by FMLN artillery fire "is false." Citing military intelligence sources, the Honduran report stated that two officers who manned the aircraft were killed.

FAS spokesmen said the latest flight control records do not report any such incident. However, in the past few days, there have been military incidents on the Honduran-Salvadoran border, because the Honduran Army reported the death of two soldiers and three FMLN rebels in a clash in the vicinity of Santa Ana township in the southwestern Honduran department of Intibuca. The clash occurred Friday morning when an FMLN group tried to enter Honduran territory by force.

Meanwhile, the Salvadoran guerrillas reported today that in the past 9 days it has inflicted 53 casualties on the Salvadoran Army in the northern department of Chalatenango, the scene of a vast counterinsurgency operation. Official sources have not confirmed this report.

Coprefa said that three rebels were killed yesterday when FMLN columns attacked positions of the Jucuaran Battalion, which guarded the town of San Agustin, Usulután Department, in the eastern region of the country. Three other guerrillas were killed in a clash in Sesori and Carolina in the eastern department of San Miguel, while another rebel was killed in a clash with 4th Infantry Brigade troops in Chalatenango, Coprefa reported.

UNGO VIEWS COPPPAL MEETING, GUERRILLA SITUATION

PA281825 San Salvador Radio Cadena YSKL in Spanish 1100 GMT 27 May 87

[Monitored in progress]

[Text] ...since then. Regarding the COPPPAL [Permanent Conference of Latin American Political Parties] meeting, Guillermo Ungo said: I am not expecting any miracles. However, he added: In any case, the fact that the continent's political sectors are assuming a more active role regarding regional conflicts represents an advance.

Ungo stated that the Salvadoran guerrillas are far from destroyed and are dealing harsh blows to the Army and its installations; these blows are harsher than the ones dealt by the Army. Ungo pointed out that if people believed all that Duarte's government says, they would have to assume the Salvadoran guerrilla movement has been destroyed and approximately 100,000 guerrillas have been killed. That is an absurd figure when compared with the total Salvadoran population.

VENCEREMOS REPORTS FMLN CLASHES WITH ARMY

PA231626 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 22 May 87

[Text] On 21 May, FMLN units inflicted five casualties on the troops of the ill-named Morazan Battalion in Agua Blanca. On the same day, FMLN forces wounded two Ponce Battalion troops from the 3d Infantry Brigade. The attack on the Ponce Battalion took place in Carolina, San Miguel Department, two soldiers of the Bracamonte Battalion were seriously wounded. Today, 22 May, it was reported that FMLN units attacked the Bracamonte Battalion on Cerro [name indistinct] in Torola, inflicting a total of five casualties and seizing five M-18 mines from the troops. In these actions the FMLN inflicted a total of 14 casualties on Onecifero Blandon's troops. These 14 casualties are added to the list of thousands of casualties inflicted within the framework of the FMLN military campaign, which has given the U.S. imperialists so many headaches. We live to struggle, we struggle to win!

On 21 May at 1800, an FMLN guerrilla unit ambushed a military convoy transporting Ponce Battalion troops from San Miguel to Morazan Department. The FMLN ambush took place between Ciudad Barrios and Carolina in San Miguel Department. Two Jose Manuel Arce type mines exploded by one of the vehicles, causing a total of five casualties: two dead and three seriously wounded. Among the casualties is a sergeant who was a section chief. It is also reported that the vehicle in question was totally destroyed. We had warned the High Command officers that Gen Blandengue's [nickname for Gen Blandon meaning "weakling"] little vehicles would serve only as rolling coffins for their troops.

On 21 May, FMLN units (?ambushed) two sections of the Fonseca Battalion near Guadalupe, Chirilagua Jurisdiction, San Miguel Department. The FMLN inflicted two casualties on the enemy troops in this action. On 22 May FMLN forces attacked the enemy in the same area of Guadalupe, wounding two more enemies. According to reports, the Duarteist troops were supported by a helicopter that indiscriminately machinegunned the area for 40 minutes. After a rifle attack in which the FMLN inflicted six casualties, the FMLN units withdrew without any problems whatsoever. On the same day, 22 May, another FMLN unit attacked a unit of the National Navy in (La Puralla), in Jucuaran, Usulután Department, where the FMLN inflicted a total of six casualties on the enemy.

On 21 May, an FMLN unit ambushed a patrol of Military Detachment No 3 from La Union with Yankee-hunting mines, inflicting two casualties. This action took place in La Paz, near Santa Rosa de Lima, La Union Department. After inflicting these two casualties, our forces withdrew without any problem whatsoever. On 16 May, the FMLN entered Las Animas in Jucuapa Jurisdiction, Morazan Department, and carried out meetings with more than 200 residents, who demonstrated our people's great happiness over being with their revolutionary army. After this activity, FMLN forces withdrew in an orderly fashion and without any problem whatsoever.

COPREFA REPORTS 131 FMLN CASUALTIES IN MAY

PA012000 San Salvador Canal Seis Television in Spanish 2330 GMT 31 May 87

[Text] The Army has reported that it inflicted 131 casualties on the FMLN guerrillas during battles throughout the country in May. According to Coprefa, which did not specify the number of Army casualties, 94 FMLN guerrillas were killed, 24 wounded, and 3 others surrendered to the military garrisons in May. The report also indicates a large number of weapons were seized. They include 14 rifles of various calibers, 2 grenade launchers, 1 rocket launcher, 70 grenades, and 131 mines.

The Army also accused the guerrillas of killing 28 peasants and kidnapping another 177. It accused them of destroying two mayor's offices, one ANTEL [National Administration for Telecommunications] office, one community center, and the local command post of Apastepeque.

HOMILY VIEWS GOVERNMENT ATTACKS, PROTESTS

PA311955 El Salvador La Voz Panamericana in Spanish 1300 GMT 31 May 87

[Homily by San Salvador Auxiliary Bishop Msgr Gregorio Rosa Chavez from the Metropolitan Cathedral in San Salvador -- live]

[Excerpt] [Passage omitted] Let us examine, from the viewpoint of our faith and the church, some of the week's incidents:

It seems imperative to discuss from the pastoral perspective the 3d year of the presidential term, which ends tomorrow. We must also discuss the attack on the Mother's Committee office and the takeover of two churches in this capital: the Cathedral and El Calvario church.

It is the task of politicians and others to judge President Duarte's 3d year in office. As a pastor, I see two important positive aspects: the effort to make progress in human rights [applause], and the desire to consolidate the still-fragile democratic process. However, I feel the government has not achieved adequate communication with the people and in the zeal of defending itself against its adversaries, it has sometimes lacked tact and objectivity. The latter is evident in controversial issues such as the mines, and the terrible weapons that are causing much suffering among our rural brothers and sisters, particularly children. It is true that mines are the guerrillas' favorite weapons; however, it cannot be denied that they are occasionally used by the Armed Forces.

Looking ahead, the president has an important challenge: preventing the reorganization of death squads. Some recent horrifying crimes make us fear for the worst. Similarly, we are worried about the explosion at the Federation of Mother's Committee office. Thank God, the casualties were minimal. Although one does not share the views or agree with the methods of that organization, one must condemn any violent action against it.

We also reiterate the church's criticism of church takeovers. It is a practice that on the eve of 1 June, cannot be viewed as a coincidental incident. This becomes more apparent when one studies the demands made by the CRIPDES [Christian Committee for the Displaced Persons of El Salvador], demands that were mostly political. Our stand is clear: Under the present circumstances, there is no justification for taking over churches as a method of political protest. The church is a sacred place for those who have faith. For this reason, we begin each mass with the rite of atonement. [rito de desagravio] [applause]

Despite this, we agree with those who occupied the churches: Displaced people have the right to return to their own homes and not to places chosen for them to satisfy nonhumanitarian interests. In other words, we support the more than 500,000 displaced people who dream of returning to their own small houses and plots of land. However, we cannot remain indifferent to the way in which a few groups are politically manipulating this legitimate wish. The poorest person, even the most miserable person, has a dignity we must all respect. [passage omitted]

NATIONAL COOPERATION PARTY ISSUES COMMUNIQUE

PA020145 Guatemala City PRENSA LIBRE in Spanish 31 May 87 p 20

[Communique released by the Democratic Party of National Cooperation, PDCN: "The Democratization Process and the State Employees Strike"; date and place not given]

[Text] The Democratic Party of National Cooperation [PDCN], the Democratic Socialist Party, and the Democratic Left faction in the congress of the Republic hereby make this known to employees, the central government, and the local and international public:

1. The state employees strike objectively expresses the negative results of the ECONOMIC REORGANIZATION PLAN that the government of the Republic has put into effect during the past year. Specifically, this plan has led to the SPEEDY IMPOVERISHMENT of the middle class and the misery of the lower classes. This is the fundamental cause of the strike and led to its enactment.

2. In addition, this strike has demonstrated the irresponsibility of the ruling party's governing policy. This policy has delayed solving all problems. The government totally lacks an economic, social, and political program for the transition to democracy. Lastly, the agreement has worked only with the right. The middle- and lower-classes have been abandoned.

3. A new union leadership has emerged which is mature, flexible, and serious enough to have its just demands met without losing sight of the importance of consolidating the democratic process. This is all the more remarkable when we consider the movement's leadership and the demands presented to benefit all Guatemalans, such as:

a) A draft bill to amend the Consumers' Protection Law. Such an amendment would eliminate speculation and enforce measures to severely punish those guilty of this crime and others such as hoarding and the alteration of the products' quality and prices -- particularly of staple items and medicines.

b) A draft bill to amend the Civil Service Law. This amendment would fulfill Article 109 of the Constitution, which deals with the status of employees on the payrolls of the state and its decentralized, autonomous, and semiautonomous agencies, so these workers can be considered permanent personnel (budget line 011). In this way, their job stability and social benefits would be guaranteed. This plan would also be provided to those contract workers who have served at an agency for more than 3 years. Thus, the relations and labor conditions of all state workers would be improved.

c) A draft bill to amend the state's Civilian Retirees Law, thereby updating the current retirees' pensions.

d) Establish a policy of austerity to lower unnecessary expenditures and services.

e) According to law, organize and initiate the joint labor, employers, private enterprise, and government commissions, so that these commissions can set up a minimum salary policy for workers to meet their basic needs and be able to live with dignity.

f) Acknowledge the legal status of all the state workers' unions which have met all pertinent legal requirements. Speed up the legal procedures related to all the trade unions in forming and negotiating collective contracts, including labor conditions, of the various trade unions.

g) Establish formulas to try and avoid hikes in electricity rates, as well as the privatization of INDE [National Institute of Electrification] and other state-owned companies which give essential public service.

h) Grant salary increases to government workers and retirees effective 1 May 1987.

4. The history of democratic countries has proved that the workers must be present whenever decisions are taken. For this they must consciously march at the side of those who defend their interests. This is why the simple struggle for better economic conditions for the workers restrains the workers citizens rights by preventing their active participation in the building of a just and equal society. Likewise, the political party that avoids contacts with the workers, for fear of contact with the masses, is and will always be a party removed from the interest of the workers. Even if their leaders call themselves democrats.

We thus clarify our support for and solidarity with the just struggle of the government workers, and call upon the government to rectify mistakes which we summarize as follows:

a) Launch a program that will start resolving basic problems which are affecting the country. Alleviate the economic and social deterioration that is affecting the middle- and lower-classes. This is why we insist on the great need to put into effect basic reforms to the tax and land systems.

b) Compliance with agreements signed with government workers. For the government to try and manipulate these agreements would create conditions for a greater lack of confidence and frustration, as well as bring about a sociopolitical radicalization of terrible consequences.

In this respect, we denounce the divisive attitude assumed by the government toward the trade union movement and the overt and covert instructions that were imparted to government sectors in the country's interior urging them to persecute the members of the teachers movement who participated in the strike, creating unnecessary confrontation; the nondelivery of the dismissal notices at various organizations to the union members to foster an environment that is not conducive to promoting understanding; the irresponsibility and nonfulfillment of agreements reached; the withholding of the legal status of those trade unions that have met all legal requirements; and delaying the process of those pending review.

Lastly, we want to publicly state that the NONCOMPLIANCE OF SIGNED AGREEMENTS with government workers, demonstrates TOTAL IRRESPONSIBILITY and seriously undermines the democratization process of the country.

Rolando Baquix Gomez, PDCC secretary general
Juan L. Morales Gavarrete, deputy
Enrique de Leon Asturias, deputy deputy
Rafael Arreaga Martinez, deputy
Dr Mario Solorzano Martinez, PSD secretary general
Nery N Morales Gavarrete, deputy
Hector Salvador Vasquez Gomez

NICARAGUA'S TALAVERA ON ARIAS PLAN, MEETING

PA300334 Guatemala City EL GRAFICO in Spanish 28 May 87 p 2

[Report by Carlos Garcia Urrea]

[Text] Guatemala City, 27 May — Nicaraguan Deputy Foreign Minister Jose Leon Talavera, said yesterday that Nicaragua continues to insist that the United States is mainly responsible for the crisis in Central America.

The Nicaraguan official visited the National Palace yesterday morning to meet with Foreign Minister Mario Quinones. He said his visit was part of the process of consultations among the Central American countries, which have become frequent and common.

Talavera added that the United States intransigently and unyieldingly insists on pursuing its policy of aggression against Nicaragua by continuing to promote a war of aggression and organizing a mercenary army.

The Nicaraguan vice president [as published] said he believes this is an appropriate time for the United States to unilaterally call a cease-fire in order for the upcoming meeting of Central American presidents to take place in a better atmosphere.

Talavera added that this is a time when the United States should call a truce to allow Central Americans to defend their interests and to let the Central American presidents gather at their upcoming meeting free of pressures and in a better position to finally reach the political agreement demanded and sought by their peoples.

The Nicaraguan deputy foreign minister also said he supports Costa Rican President Arias' plan and had done so since a few days after the presidential meeting was held in Costa Rica.

He said Nicaragua, as an overall policy, adopted a positive stance in regard to the Costa Rican proposal to the extent that it provides for negotiated political solutions. Nicaragua has always supported this type of formula and that is why it is getting ready to attend the Esquipulas meeting, Talavera said.

Talavera noted that this is important because the Central American presidential summit is only 30 days away. Nicaragua, he said, anxiously wishes a political agreement to be reached in the region and is interested in finding a political solution to the crisis.

Comments on Contra Training

PA291721 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 28 May 87

[Text] Nicaraguan Deputy Foreign Minister Jose Leon Talavera Lopez has remarked that it is known that Guatemala does not take part in the training of Nicaraguan contras. He said Nicaragua is only aware of the existence of a political training school but acknowledges that the Guatemalan Government does not agree with the U.S. intervention policy.

In a brief statement to newsmen, the Nicaraguan deputy foreign minister said there is no certainty the Nicaraguan counterrevolutionaries who are struggling against the regime headed by President Daniel Ortega have been trained in the Kaibiles area as reported in some news reports.

Talavera said some of the contras who have surrendered to the Sandinist regime have reported that most training is imparted in Honduras, where the training area is located. He added that the contras have probably passed through Guatemala at times, but this is no reason to engage in talks with the Guatemalan Government.

CLANDESTINE STATION REPORTS URNG ACTIONS

PA012030 (Clandestine) La Voz Popular in Spanish to Guatemala 0015 GMT 30 May 87

[Text] Attention Guatemalan people: La Voz Popular will now present a summary of URNG guerrilla actions from January 1987 to today: 27 ambushes, 15 clashes, 9 attacks on patrol groups, 28 attacks on permanent posts, 18 harassment actions, 73 occupations of sections of road, and 32 takeovers of farms, municipalities, villages, and cooperatives. We also damaged three helicopters and destroyed three permanent posts, four vehicles, and one armored vehicle.

In these actions, we recovered rifles and military and communications equipment. The Army sustained 285 confirmed casualties. We carried out 32 additional actions, but were unable to count the number of casualties inflicted on the enemy.

The High Command has kept these facts secret, and the Army spokesman has distorted the truth about the progress of the people's war, a war that demands great effort and sacrifice, a war that is forging history of heroism and courage.

With our forces and ideas united by enthusiasm and courage, we march on to victory!

BRIEFS

TYPHOID OUTBREAK CONTROLLED — Guatemalan health authorities have controlled the typhoid outbreak in Barberena municipality, in the southern Santa Rosa Department, where 166 cases had been reported. Health Minister Carlos Armando Soto, who traveled yesterday to the town in which the epidemic was reported, confirmed that "this happened as a result of contamination in the supply and distribution of potable water." It has been reported that thus far, 6 people have died, 36 are in the hospital, and 124 are receiving "treatment in their homes." The sanitation brigades that were sent to Barberena are conducting an environmental sanitation campaign. Minister Soto added that in general, the typhoid outbreak has been controlled. [Summary] [Panama City ACAN in Spanish 1716 GMT 19 May 87 PA]

POPPY PLANTATION DISCOVERED — The Treasury Police discovered a poppy plantation with 6,525 plants in Chequin, Tacana municipality, San Marcos Department. Alberto Lopez Morales, the owner of the lot, was arrested during the operation. [Summary] [Guatemala City EL GRAFICO in Spanish 30 May 87 p 6 PA]

VICE PRESIDENT SAYS U.S. PREVENTING PEACE

PA290402 Managua Domestic Service in Spanish 0300 GMT 28 May 87

[Text] Nicaraguan Vice President Sergio Ramirez Mercado today charged in Cuba that the interventionist policy of the United States is the main obstacle to a peaceful settlement of the Central American conflict.

The Sandinist leader said that no real possibility of a political solution in the area will advance as long as the White House does not renounce its objective of drowning the Sandinist revolution.

CONTRA PLANS AGAINST 'VULNERABLE TARGETS' REPORTED

PA292232 Managua Radio Sandino in Spanish 1200 GMT 29 May 87

[Text] The CIA has changed tactics on the Atlantic coast and has ordered attacks on what it describes as vulnerable targets. Captain Jose Maria Sanchez, chief of the Atlantic Naval District of the EPS, reported in a news conference yesterday a number of counterrevolutionary attacks within a new strategy which the counterrevolutionaries call the plan against vulnerable targets.

According to the EPS officer, in Special Zone 2 there are small counterrevolutionary groups which do not pose a threat to the stability of power. Capt Sanchez said the peasant evacuation ordered by the government in February and March as well as the gradual blows on their units in the area have led the counterrevolutionaries to a completely defensive situation. As an example of the new tactic, he mentioned the 1 May attack on the ship which transports food to the Atlantic coast and the attack on the Pueblo Nuevo cooperative west of Laguna de Perlas, where they killed nine militiamen.

Capt Sanchez said that the blows dealt to the contras by the EPS in Region 5 have expelled them from that region and forces them to operate in a large part of Special Zone 2. However, they do not pose any great threat.

U.S.-HONDURAN MANEUVER WEAPONS SENT TO CONTRAS

PA292229 Managua International Service in Spanish 2300 GMT 28 May 87

[Text] Today, Subcommander Jose Gonzalez, regional coordinator of the FSLN in Puerto Cabezas, 560 km to the northeast of Managua, reported that the weapons used in the U.S.-Honduran "Solid Shield" maneuvers have been sent to the counterrevolutionary FDN-KISAN [Unity of the Nicaraguan Atlantic Coast Indigenous People] fighting groups.

Gonzalez warned that the U.S. is sending war materiel from Honduras to strengthen the mercenary groups. He concluded that Washington is trying to either eliminate or recruit the Nicaraguan Indians -- who are holding peace talks with the Sandinist government -- and has sent them letters and dollars.

FUEL PRODUCTION TO 'NORMALIZE THIS WEEK'

PA272122 Managua Radio Noticias in Spanish 1200 GMT 26 May 87

[Text] It is reported that the production of gasoline, butane gas, and kerosene will normalize this week. Meanwhile, the [words indistinct] of fuel, kerosene, and butane gas has continued in the entire country. We spoke yesterday to fuel distributors who explained that they are working with reserves only, and [words indistinct] that only a small portion of these reserves are from Tropigas. It seems as if some of the distributors have already depleted their reserves.

If everything goes well this week, the distribution of gasoline will normalize and the various distributors will receive their supplies.

Every day long lines of people with tanks wait for an explanation and long lines of vehicles wait patiently to be served. Some of these people have requested time off from their jobs; others simply take off. This hinders production.

Countries To Send Oil

PA301330 Managua Domestic Service in Spanish 0300 GMT 29 May 87

[Text] The huge difficulties the Nicaraguan Government is experiencing with the supply of petroleum and its by-products exist because the countries supplying these products were able to guarantee only 40 percent of the 775,000 tons of the crude oil needed by the country. This was stated today by Foreign Cooperation Minister Henry Ruiz Hernandez at the end of the fourth session of the Nicaraguan-Czechoslovak joint commission, during which a cooperation protocol was signed.

Commander Ruiz explained that Nicaragua spends \$225 million for the importation of petroleum, oil by-products, and oils; but it only exports a total of \$250 million [sentence as heard]. The revolutionary leader said that to compensate partly for the petroleum deficit, the GDR will send 90,000 tons, Cuba 60,000 tons, Bulgaria 40,000 tons, and Hungary a similar amount.

MERCENARIES ATTACK TOWN, KILL 8 PEASANTS

PA011830 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 1 Jun 87

[Text] Official EPS reports state that so far this year, 128 civilians have been killed and 281 have been kidnapped as a result of the terrorism unleashed by the U.S.-supported counterrevolutionary bands.

Early this morning, the community of (Lancotal), located northeast of Jinotega, was the target of an attack in which 8 peasants were killed and more than 10 houses were destroyed. Forty militiamen of the community repelled the mercenary attack.

COLUMNIST VIEWS ARDE'S REQUEST FOR AID

PA300219 Panama City MATUTINO in Spanish 29 May 87 p 6

["Let the People Judge" column by Ricardo Lince: "Aid for Nicaragua"]

[Text] ARDE has asked General Manuel A. Noriega, commander in chief of the Defense Forces of the Republic of Panama [FDP], for humanitarian aid consisting of urgently needed medicines. ARDE is a revolutionary group struggling in southern Nicaragua against the government in that country.

The request from ARDE's commander paints a tragic picture of that revolutionary group. It is part of the suffering endured by the Nicaraguan people in a war of attrition that has become a holocaust for its population. Hence, the peace efforts conducted by the Republic of Panama through the Contadora Group.

We favor any action that will reduce the suffering of the wounded and save the lives of peasants who are victims of the fratricidal war, as long as our actions will not hinder Panama's neutral and mediating position. It would be advisable to give a hand to the wounded fighters on both sides, as they are all Nicaraguans requiring attention in such sad situations.

We believe the aid could be provided through the National Red Cross. The aid should be for the wounded on both sides, it must be substantial, and it should be for all the Nicaraguan people. The Red Cross could receive and organize the contributions from the Panamanian people and from national institutions such as the FDP, the Fire Department, civic groups, and active sectors of workers, peasants, and students.

We want, and are obliged, to help our Nicaraguan brothers. However, in no way should the medicine be worse than the sickness; neither should our republican institutions be placed in a dubious or suspicious position by siding with either one of the contending groups. Right?

DIAZ HERRERA TAKES 'INDEFINITE' VACATION

PA011810 Panama City EXTRA in Spanish 1 Jun 87 p 2

[Text] EXTRA has learned that on 27 May the Defense Forces of Panama [FDP] granted "vacation" to Colonel Roberto Diaz Herrera, chief of the General Staff.

The term "indefinite" was added to the paid rest that the officer -- who is second in command in the Panamanian military -- has earned as a result of some health problems.

At the beginning of last week, Diaz Herrera retrieved personal articles from his office and has not reported for work since. He has also not been present at a number of events attended by the commander in chief and members of the staff.

On Tuesday, Diaz Herrera did not attend a ceremony welcoming back President Eric Arturo Delvalle from a trip to Europe and the United States. He also did not participate in a ceremony at FDP headquarters on Wednesday, during which General Manuel Antonio Noriega awarded the Manuel Amador Guerrero Order to General John Galvin, former chief of the Southern Command.

EXTRA has learned that the cousin of the late General Omar Torrijos Herrera may be leaving the FDP to become involved in politics if health conditions prevent him from returning to his busy life in the military sector. Concerning this, he plans the possible founding of a political party under the guidance of his relative, Gerardo Gonzalez.

Colonel Marcos Justines Fernandez FDP deputy chief of the General Staff, has temporarily taken over the duties of Chief of Staff Col Roberto Diaz Herrera. However, in view of the forthcoming retirements of Diaz Herrera and Justines, there is speculation about who will take over the FDP General Staff. Colonel Alberto Purcell of the G-5 and Colonel Elias Castillo Figueroa of the G-6 are currently being mentioned for this post.

Justines Named New Chief

PA020207 Panama City Televisora Nacional in Spanish 0020 GMT 2 Jun 87

[Text] As we previously mentioned in an exclusive report, the Defense Forces of the Republic of Panama [FDP] have issued an order of the day dated 2 June that must already be circulating in all of the country's military garrisons. The document announces that Colonel Marcos Justines has been promoted to new chief of the General Staff, replacing Colonel Roberto Diaz Herrera, who has retired with all the rights to which he is entitled based on his last position, in accordance with internal FDP regulations. The order of the day is the legal organ and basic document of the FDP regulating the daily activities of the military institution.

Col Diaz' retirement was announced following his absence from several activities within the military institution, and in the wake of his recent health problems.

Other instructions made public this afternoon note that Colonel Alberto Purcell was promoted to deputy chief of staff of the FDP Air Forces. He will continue to be in charge of the G-5 and of Civic Action activities.

It was also learned that Colonel Elias Castillo Figueroa has been promoted to deputy chief of staff of the FDP Ground Forces. He will remain as head of the G-3, and continue to be fully responsible for visiting the units and directing their operations.

Regarding the G-4, neither the order of the day nor any other sources has mentioned who will occupy that important position, as Col Marcos Justines, who formerly held that post, will now work full time as chief of the General Staff.

ALFONSIN, AIDES DISCUSS DUE OBEDIENCE DISSENSION

PY020008 Buenos Aires BUENOS AIRES HERALD in English 1 Jun 87 p 7

[Text] (NA-DYN) -- President Raul Alfonsin called an urgent meeting of his closest aides yesterday as opposition mounted within the ruling Radical Party to amendments introduced by the Senate to the government's Due Obedience Bill, which had already been passed by the Lower House.

Deputy Federico Storani (Buenos Aires) had to postpone a trip he planned to La Pampa to launch the Radical electoral campaign there when he was summoned to the meeting at the presidential residence in Olivos.

Lower House Majority Leader Cesar Jaroslavsky (Entre Rios) and Federal Capital Deputy Marcelo Stubrin were among those who attended the day-long meeting, which for a time was also attended by Defence Minister Horacio Jaunarena.

There was no information on the outcome of the meeting sparked by statements by some Radical members that they would not vote in favour of the amendments introduced by the Senate when the bill returns to the Lower House on Thursday because the Radical caucus had vowed not to accept any changes to the bill as originally passed by the Lower House.

Radical sources said, however, that Alfonsin told the meeting the situation had changed during the past week and that the party was virtually forced to introduce the changes. They did not elaborate.

The president, who had himself submitted the changes to the Senate, said that he was committed to them but that the spirit of the bill was not changed and the amendments were mere technical adjustments.

The bill was aimed at defining the issue of due obedience as regards military personnel charged with violations of human rights during the "dirty war" against left-wing subversion.

But while the original bill said it only exempted officers up to the rank of lieutenant-colonel, the Senate amendments increased the scope to include colonels and brigadier-generals. The issue was due to be debated by the Radical caucus at a meeting tomorrow.

The Renewal Peronists were also planning meetings tomorrow and Wednesday to discuss the issue and it was believed they would support the maverick Radicals who were also expected to receive the backing of Intransigents and Christian Democrats in the House.

On Saturday the leaders of the above three opposition parties -- Deputies Antonio Cafiero, Oscar Alende, and Carlos Auyero, respectively -- agreed to submit a letter to Alfonsin proposing the formation of a "civil front" in the face of the military crisis.

SURVEY SHOWS TRIALS LOW PRIORITY FOR PUBLIC

PY020009 Buenos Aires BUENOS AIRES HERALD in English 1 Jun 87 p 7

[Text] (DYN) -- The trials of military personnel on charges of violating human rights during the anti-subversion campaign is one of the subjects that least worry Argentines, according to a survey by the Guillermo Bravo y Asociados company published in yesterday's LA NACION. [paragraph continues]

The survey carried out in the Greater Buenos Aires area and in six provincial cities showed that 29 percent were most worried by the spread of drug addiction among youth and 21 percent by inflation, but only three percent were concerned about the trials. Other big worries, according to the survey, were pensions, housing problems, foreign investment, denationalization, the transfer of the capital, and graduate unemployment, all arousing more concern than the trials.

JAUNARENA'S POSITION AFTER CRISIS ANALYZED

PY020007 Buenos Aires BUENOS AIRES HERALD in English 1 Jun 87 p 7

[Text] (NA-DYN) -- Defense Minister Horacio Jaunarena, harassed by insistent rumours that he was about to step down, appeared to have emerged strengthened by the Easter Week military crisis and reaction to a controversial Army Day speech on Friday by Army Chief-of-Staff Jose Caridi, government sources said yesterday.

Jaunarena did offer his resignation to President Raul Alfonsin following the speech in which Caridi hinted at the need for a general amnesty for officers charged with human rights violations, but the president immediately turned it down, the sources said.

And the minister was preparing a campaign against his enemies in the Radical Party, the sources added. They said these include congressmen, members of the intelligence services, and even fellow-ministers.

The sources said there had also been concern in military circles over the rumours about Jaunarena's alleged resignation because they had mostly stemmed from Radical leaders.

The sources also denied reports that Defence Secretary Alfredo Mosso would step down and be replaced by Foreign Ministry Undersecretary for Latin American Affairs Raul Alconada Sempe. They said Alfonsin's rejection of Jaunarena's resignation meant that all the minister's team had the president's confidence.

According to the sources, Alfonsin's confidence in the minister was justified because Jaunarena had been predicting since last year, when he was defence secretary, that the military situation was heading for a crisis, which erupted during Easter week.

Military sources, including officers who played a prominent part in the Easter Week crisis, said if the minister did step down it would worsen the situation as the problem was now centred in Congress -- a reference to the Due Obedience Bill due to come before the Lower House on Thursday.

They said there was nobody available who had the knowledge and experience to replace Jaunarena in connection with military problems and if he was replaced the whole military situation would have to be rehashed once again.

JAUNARENA DENIES RIFT WITH GOVERNMENT FACTIONS

PY020237 Buenos Aires TELAM in Spanish 0021 GMT 2 Jun 87

[Text] Buenos Aires, 1 Jun (TELAM) -- Defense Minister Jose Horacio Jaunarena tonight denied through an official spokesman that there are disagreements in government sectors over defense policy issues.

Moreover, answering questions by reporters about alleged political attacks and counterattacks, spokesman Faustino Altamirano stated that the minister's main concern at this moment is to strengthen the Armed Forces modernization policy the government has been promoting since December 1983.

Meanwhile, sources close to Jaunarena have confirmed that today the minister lunched with Deputy Leopoldo Moreau, during which, among other subjects, the reportedly discussed the rumors that said Moreau was a candidate to assume the Defense Ministry.

It has also been learned from defense circles that efforts are being made to reorganize the Defense Ministry so it can better handle matters related to defense; that is, to solve, on one hand, strictly military matters, and on the other hand, those that have to do with administrative issue.

OFFICERS ATTEMPT TO VISIT HOLY WEEK REBEL RICO

PY300342 Madrid EFE in Spanish 0129 GMT 30 May 87

[Text] Buenos Aires, 29 May (EFE) -- Although most of them did not succeed, at least 100 Argentine Army officers today went to visit Lieutenant Colonel Aldo Rico to express their "support." Rico lead the Holy Week rebellion.

According to information received by EFE, only five officers were allowed to enter the "General Lemos" School for Combat Support Services. These officers, in the name of a hundred captains, lieutenant colonels, and majors, expressed their solidarity with the lieutenant colonel. Rico has been in custody since 19 April.

The officers who were not allowed to enter the school cheered the Army, which is celebrating its 177th anniversary, and sang the Army hymn. The officers, who called the demonstration "Operation Dignity," said that it was organized to "express our support of a person who has always upheld the high ideals and elevated thoughts of the Argentine soldier."

The demonstration was staged on a day when several rumors -- already denied -- announced Defense Minister Horacio Jaunarena's possible resignation, and Army Chief of Staff General Jose Dante Caridi delivered a speech asking for "political solutions" for the problem created by the trials of military officers.

Lt Col Rico was the head of a rebellion staged by young officers who were entrenched at the infantry school located 25 km north of Buenos Aires for 100 hours during Holy Week. During the rebellion, the officers expressed their "uneasiness" about the military trials, the low budget assigned to the defense sector, and "the government failure in creating a military policy."

CARIDI MEETS RICO, OTHER REBEL ARMY OFFICERS

PY011535 Buenos Aires TELAM in Spanish 1400 GMT 1 Jun 87

[Text] Buenos Aires, 1 Jun (TELAM) -- General Jose Dante Caridi, the Army chief of staff, met on 19 May in his office at the Liberator Building with former Lt Col Aldo Rico. This was confirmed today by a high-ranking military source who stated that Gen Caridi also visited military officers and chiefs who are presently being held under strict preventive imprisonment at the Army Support Directorate (former I Corps).

CARIDI PRAISES ARMY MARTYR OF SUBVERSION

PY011508 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1215 GMT 1 Jun 87

[Text] Buenos Aires, 1 Jun (NA) -- In a message issued on the 17th anniversary of the assassination of Lieutenant General Pedro Eugenio Aramburu by the Montoneros, General Jose Dante Caridi, the Army chief of staff, today said that by defeating subversion, the Armed Forces avoided destruction of the Republic and safeguarded its institutions.

In a message read in all Army commands, organizations, and units, Caridi states that "Gen Aramburu's death is an example and an event that continues to demand from us the same commitment demonstrated previously."

The following is the text of the message:

"On the 17th anniversary of the assassination of Lt Gen Pedro Eugenio Aramburu, the Argentine Army today honors the memory of the first Army officer to be killed by Marxist subversion.

"On 29 May 1970, the day of the Argentine Army, through tricks and lies, a group of terrorists, dressed in Army uniforms entered Gen Aramburu's home.

"After abducting him, they took him to one of the so-called 'people's jails' where he was subjected to a parody of a 'trial' and 'sentenced' to death; he was executed 2 days later with a shot in the chest and two grace shots.

"Unsatisfied with the crime, the terrorists later insulted the frightened national community with their arrogance and disdain when on 3 September 1974, they published details of the macabre incident.

"This incident is one of the most repugnant and pathetic expressions of the bloody period our fatherland experienced at the hands of subversive gangs.

"The miserable cowardice and the unusual cruelty with which this crime was perpetrated marks that methodology which terrorists systematically applied until their military defeat.

"Gen Aramburu's attitude was that of a soldier. He died courageously, bearing his tragedy with dignity and decorum. He, himself, issued the execution order to his assassins with a firm and categorical 'proceed.'

"Gen Aramburu's death is an example and an event that continues to demand from us the same commitment demonstrated previously."

"The Argentine Army believes that Gen Aramburu's death is another sacrifice the Argentine Army made for the sake of the fatherland, which it must exclusively serve. The Army is commemorating this incident to reassert that it harbors within its heart all those Army members, who are sons of our beloved Argentina, who died in the confrontation against international Marxist subversion and that in defeating this force, the Army avoided the destruction of the Republic and safeguarded its institutions."

DEFENSE MINISTRY ON CONVICTED FORMER COMMANDERS

PA301229 Buenos Aires CLARIN in Spanish 28 May 87 p 4

[Excerpt] A Defense Ministry spokesman has confirmed that over the past few days, five members of the first two military juntas that have governed Argentina since 1976 were notified of their removal. Thus, General Jorge Rafael Videla, Vice Admiral Emilio Massera, Lieutenant General Orlando Agosti, Lieutenant General Roberto Viola, and Vice Admiral Armando Lambruschini will not be entitled to wear a uniform and have been stripped of their rank. According to a Defense Ministry source, the former commanders, who were sentenced by the courts for human rights violations during the antisubversive struggle, have been notified about their removal from their respective branches.

The measure, which has been enforced by the Defense Ministry and is of a strictly administrative nature, was ordered by the federal court in the sentence handed down against the former military commanders in 1986 and upheld by the Supreme Court of Justice early in 1987. Press reports yesterday stated that the Defense Ministry had notified those convicted; Jorge Videla, Emilio Massera, Orlando Agosti, Roberto Viola and Armando Lambruschini of the measure. [passage omitted]

UCR LEADER JAROSLAVSKY WARNS OF MILITARY SITUATION

PY012124 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1142 GMT 31 May 87

[Text] Mendoza, 31 May (NA) -- In an apocalyptic description of the situation in the Armed Forces, Cesar Jaroslavsky, chairman of the UCR [Radical Civic Union] bloc in the House, said that "we are risking our lives, because if a single gunshot is fired, not even cats will save their skins." He also strongly criticized the opposition and the judges, on the grounds that "they do not want to help us save the system and ensure peace."

Addressing some 18,000 people in downtown Mendoza, Jaroslavsky appealed to the people "to understand our responsibilities, because otherwise we will be the fools witnessing the troops as they parade over the dead bodies of thousands of Argentines."

Jaroslavsky was one of four speakers at a rally staged at the corner of Sarmiento and San Martin Streets to proclaim the Raul Baglini-Hugo Lanci gubernatorial ticket. The rally was the largest held since Raul Alfonsin and Italo Luder closed the political campaign for the 1983 general elections in this city.

The inflamed speech by the lawmaker calmed a large group of UCR youths who were chanting slogans against amnesty for the military, and overshadowed the speech by Deputy Raul Baglini, who read a detailed study on the prospects of the province. Baglini's speech dealt primarily with the work being undertaken by current Governor Santiago Llaver, listing a series of projects he plans to implement if he is elected governor. In this regard, Baglini said "we can show facts, while others build sandcastles," obviously alluding to the Justicialist Party, the main opposition group in the province.

Misiones Governor Ricardo Barrios Arrechea and Hugo Lanci, the candidate for the post of vice governor, also delivered speeches during the rally.

Jaroslavsky, Juan Manuel Casella, Fernando de la Rúa, Marcelo Stubrin, Jose Genou, Margarita Malharro de Torres, and other Radical Party leaders were on the rostrum.

In his speech, Jaroslavsky maintained that "we cannot play the game of those who are trying to destabilize democracy. We should not forget," he went on, "that our enemy is organized and homogeneous, and that its homogeneity stems from the autocratic system for which they have to work and in which they have to live." He stressed that this sector "has taken advantage of our weaknesses to pressure the government and get what they want, thus undermining the people's confidence."

He stated: "We have neither the right nor the opportunity to ignore, on behalf of any political opportunism, the historical duty we now have with Argentina. Neither will our political culture, conscience, and education allow us to do that."

"I laugh my ass off at those who speak of political costs," Deputy Jaroslavsky explained, stressing that "we will go to the ballot boxes and there we will learn whether Argentine society knows who among us will defend democracy."

Jaroslavsky recalled the negotiations the government held to resolve the military crisis, emphasizing that no sound results could be achieved, "as the regulations concerning the three levels of responsibility, according to which the trials had to be conducted, were incomplete." He added: "We needed the support of the judicial branch.... The judges had to decide, but they did not."

He explained that the full stop law did not work either, "because it awakened considerable protests," while "the judges engaged in a race to win more prestige by summoning more officers."

He stated that the judges "ignored that they, too, share the responsibility that the three branches of government must find a definitive solution for Argentina."

ALFONSIN MEETING WITH CGT TERMED 'VERY POSITIVE'

PY292215 Buenos Aires BUENOS AIRES HERALD in English 29 May 87 p 11

[Text] (NA-DYN) -- President Raul Alfonsin yesterday met General Confederation of Labour (CGT) Secretary-General Saul Ubaldini to discuss the package of labour bills which the labour grouping wants sanctioned before the ILO general assembly next Wednesday.

The CGT has repeatedly threatened to denounce the Radical government before ILO once more if labour laws dating back to the military regime are not repealed in the near future.

Labour Minister Carlos Aldrete said the meeting between Alfonsin and Ubaldini was "very positive" and revealed that Alfonsin promised to send the bills to Congress next week.

Justicialist Senator Oraldo Britos (San Luis) meanwhile said business leaders who oppose the labour bills were "like children playing irresponsible games."

Britos denied charges made by the entrepreneurs that they were not consulted in reference to the labour bills. [paragraph continues]

The senator pointed out that business leaders were present when the bills were discussed before the Senate Labour and Social Security Committee.

Opposition to the labour bills was expressed by Argentine Industrial Union (UIA) President Eduardo de la Fuente and Argentine Chamber of Commerce (CAC) Chairman Ovidio Bolo.

UIA had complained that a clause calling for the release of company data to the unions would conspire against investment. Britos said the need for this clause was exemplified in the current conflict between labour and management in the daily LA RAZON. He said the conflict could have been avoided if workers would have been aware of the newspaper's financial status.

UTPBA press union Secretary-General Carlos Subiza yesterday denounced threats against union members and LA RAZON workers. Subiza said unidentified callers threatened with "blowing up" LA RAZON's building if the personnel occupying company premises did not abandon editorial offices immediately.

UTPBA Labour Affairs Secretary Juan Carlos Camano Jimenez was threatened with "passing to join the lists of missing people."

Labour sources said armed groups had been spotted in the daily's warehouse, where LA RAZON publisher Jose Pirillo has established his temporary headquarters.

Subiza revealed he was told by an anonymous caller that "we fell short with the 93 (journalists) we made disappear so this time we will kill all of you."

Youth sectors from several political parties yesterday met with delegates belonging to the internal committee in order to express solidarity with LA RAZON workers.

LOWER HOUSE APPROVES CAPITAL MOVE 28 MAY

PY282317 Buenos Aires BUENOS AIRES HERALD in English 28 May 87 p 1

[Text] (NA-DYN) -- The Lower House passed the transfer of the capital law yesterday by 146 to 17 votes. Radicals and provincial parties approved the law on first and second readings while the Renewal Peronist caucus rejected the bill on second reading.

Several deputies gave up their turn to speak in order to speed up the congressional treatment of the proposal.

The Senate passed the bill last March with an amendment calling for the provincialization of the city of Buenos Aires but the proposal was delayed in the Lower House due to the long list of deputies who signed up to deliver speeches.

Deputies Angel Bruno (Christian Democrat-Capital), Hugo Pincyl (Radical-Rio Negro), Jose Luis Lizurume (Radical-Chaco) and Miguel Srur (Radical-Rio Negro) spoke in favour of the proposal while Renewal Peronists Hector Dalmau (Misiones) and Luis Toma (Capital) said the site chosen for the new capital was inappropriate but finally voted for the transfer.

Several deputies yesterday suggested the divorce bill could be debated and sanctioned next week after the Senate introduced several amendments to the original bill passed by the Lower House last August.

COB LEADER SAYS GOVERNMENT TALKS MUST CONCLUDE

PYO20255 La Paz La Red Panamericana in Spanish 0000 GMT 2 Jun 87

[Text] COB [Bolivian Labor Confederation] Executive Secretary Juan Lechin Oquendo said that the talks between the government and coca growers must conclude no later than the evening of 6 June. He added that the meetings should last as long as necessary, even 24 hours if need be, so an agreement can be reached, because there can be no further delay.

As for the course of the negotiations, he said the proposal formulated by the U.S. Government in connection with the fight against drug trafficking has been given preference.

The other proposal, which according to Lechin is more reasonable, takes into account Bolivian expectations and will not cause any serious damage to the peasants and settlers who live on their coca farms.

Lechin reported that the COB has declared a recess in the state of emergency, adding that the COB has decided to ask the Red Cross and human rights organizations to help clear up the conflict in Cochabamba in which 2 people died and more than 50 were injured.

MADRID PAPER INTERVIEWS PRESIDENT PAZ ESTENSSORO

PM291549 Madrid ABC in Spanish 20 May 87 p 25

[Victor Toro dispatch: "Paz Estenssoro: 'Visit by King and Queen Is Great Event for Bolivia'"]

[Text] La Paz — "The visit by the [Spanish] king and queen is a great event for Bolivia," constitutional President Victor Paz Estenssoro told ABC, adding that the visit will be very advantageous, not only because of what Spain means to all the countries of the Latin American community but also because of the gestures of generosity and understanding it has made toward Bolivia, which is currently experiencing a grave and worrying economic situation.

In his private office at the government building in the city of La Paz, Dr Victor Paz Estenssoro, three times constitutional president of Bolivia, gradually reeled off several of Bolivia's problems, personally denying the persistent rumors which have been circulated the past few days at government headquarters that he is suffering from a grave illness.

Reaffirming his government's approval of the arrival of the king and queen, the president highlighted Spain's entry into the EEC, describing it as valuable for the countries of Latin America, since because of its historical role it could be the spokesman for the needs of the countries of that continent. "Spain is undergoing a real technological transformation, extraordinary opportunities are opening up to it in the EEC, and in forecasts about the future of the world economy it appears among the countries with considerable future expansion rates," the Bolivian president said. He said that, particularly as far as Bolivia is concerned, cooperation could be achieved in cultural aspects, the transfer of technology, the conservation of monuments, and many other fields in which the Spanish people have greatly excelled.

The president later referred to the economic situation experienced by the Bolivian people, describing it as difficult, even though afterward he immediately expressed his optimism about recovery in the not too distant future. "We have placed the economy on real foundations. It is not a process of artificial changes; it is a policy that enables those who are granting us loans to trust in the results," the head of state maintained, pointing out that when his government took over the administration, the situation was really dramatic. The country had an inflation rate of 25,000 percent, with a deficit in all state enterprises and in the national treasury. "So there was no alternative but to implement a drastic policy to halt hyperinflation. And that is what we did; we applied extreme austerity in state expenditure and a reorganization, also setting the exchange rate at its real value against the dollar, bearing in mind that the availability of foreign currency was meager."

"We had to reorganize the oil sector, improving its financial situation; to that end we brought domestic sale prices into line with their real levels, attempting to achieve surpluses in order to secure support for the national treasury, with the aim of preventing disorganized issues of paper money," he said.

"We had to complement all these features of economic policy with a tax reform which reduces to 6 the 20 taxes previously collected. It was also complemented by the approval of the overall national budget by the legislature -- comprising the Chamber of Deputies and Senate -- as a future guideline for state expenditure. This happened although no parliament had studied the approval of a national budget for 40 years," Paz Estenssoro added.

Asked about the social cost resulting from the tough economic measures which affected the most underprivileged sections of the population, the Bolivian president said that the social cost is slight, bearing in mind that the stability of the currency has been achieved. Previously, wage increases were made nominally, since the depreciation was greater soon afterward. "Obviously, now there are sectors which are not receiving the proper wage, but just now there are definite prospects of improvement, even though the political cost is clear," Dr Paz Estenssoro said.

Last, President Paz Estenssoro announced that the economic recovery plan will be implemented by his government, even though it is realized that it is based on securing foreign funds. "We are aware that a policy of fairer distribution of wealth is not sufficient, because in Bolivia the sum total of wealth and products is slight, so however much it is distributed with the greatest possible social justice, the proportion received by each Bolivian is slight. We need to increase the amount of productive wealth, and to this end three factors are needed -- natural resources, work, and capital. We have the first two, we have no capital, but I am certain that we will secure it through a policy of reorganization of the economy as a whole," the Bolivian president concluded.

PAYMENTS TO PARIS CLUB TO BEGIN IN JUNE

PY020322 Paris AFP in Spanish 1414 GMT 31 May 87

[Text] La Paz, 31 May (AFP) -- It was officially reported here today that at the end of June 1987, Bolivia will pay the first \$30-million installment provided for in the agreement reached with the Paris Club.

Finance Minister Juan Cariaga said that Bolivia will pay 12 successive semiannual installments before December 1995 for a total of \$645 million, which are owed to 12 countries.

CENTRAL BANK EXTENDS FOREIGN EXCHANGE CONTROL

PY300014 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 May 87 pp 9-21

[By Gilson Schwartz]

[Text] Central Bank Resolution 1325 takes foreign exchange centralization one step further, hoping to halt the outflow of foreign reserves. This centralization is being implemented in a gradual and partial manner. Not all operations involving the outflow of foreign exchange are subject to compulsory deposit in the Central Bank, but this latest resolution extends the scope of a previous resolution promulgated to creditor banks on 26 February 1987.

The 26 February resolution centralized foreign exchange transfer operations regarding payments on the commercial and interbank credit lines. The Central Bank then determined that Brazilian bank branches abroad should make payments on those lines of credits through deposits in the Central Bank and not directly to the creditors. This means that payments are being made (therefore there is no moratorium), but deposits must be made via the Central Bank, which will then disburse resources to the creditors as permitted by the level of foreign reserves available. The recent resolution extends the scope of the first resolution to operations with payment periods longer than 360 days, including operations involving foreign governments or foreign government entities, which up until now have not been affected by the moratorium.

The latest resolution must therefore not be misunderstood as a moratorium. It simply means that payments entered into the books of Brazilian bank branches abroad will only be disbursed to foreign creditors whenever the Central Bank is in the position to do so.

However, there is no total foreign exchange centralization yet, as there was in 1982 by decision of the then Minister Delfim Netto. In such a case, the Central Bank would take over all forms of foreign exchange transfer abroad. If the trade balance does not recover sufficiently, the Central Bank may adopt stronger measures, including the total centralization of foreign exchange transfer operations abroad.

STATE COMPANIES TO CHANNEL DEBTS VIA CENTRAL BANK

PY291858 Paris AFP in Spanish 0335 GMT 29 May 87

[Text] Rio de Janeiro, 28 May (AFP) — It was officially reported today in Rio de Janeiro that state enterprises and official organizations of Brazil that owe \$4,122,000,000 to the Paris Club, will have to channel all their debts via the Brazilian Central Bank.

The report, released by the Brazilian Central Bank, states that all deposits against these debts will be frozen, in the name of each creditor, until the date slated in the agreement, signed on 22 January 1987 in Paris, to reschedule the payments of \$4,122,000,000 of the Brazilian official debt over 6 years plus a 3 year grace period.

This amount includes the payments of principal and interest that falls due between January 1985 and 30 June 1987, that have been rescheduled in the following manner:

Rescheduling of 100 percent of the \$3,274,000,000, which comprises principal and interest that fell due between 1985 and 1986, over a period of 6 years plus a 3 year grace period.

The payment of delayed interests which total \$348 million in three installments due at 6 monthly intervals beginning 30 June 1988.

Rescheduling of payments on the \$500 million principal over 6 years and a 3 year grace period. This amount corresponds to loans obtained before March 1983, and which should have been paid during the first 6 months of this year.

Resolution No 1,325 of the Brazilian Central Bank, which formalized the agreement with the Paris Club, was signed by Central Bank President Fernando Milliet and by Finance Minister Luiz Carlos Bresser Pereira.

CALCULATION ERROR DETECTED IN 1986 TRADE BALANCE

PY291757 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 29 May 87

[Text] The error in the calculation of the 1986 Trade Balance, reported yesterday by Finance Minister Bresser Pereira, will have to be corrected. A difference of \$1,179,000,000 has been discovered by current Federal Revenues Office Secretary Antonio Mesquita.

Bresser Pereira has discarded the possibility that his error could have been caused by the previous economic team. Sergio Santiago da Costa, assistant secretary of the Federal Revenue Office, has stated that his office has not sent any incorrect data to CACEX [Foreign Trade Department] regarding Brazilian imports. He said a difference of \$1,179,000,000 against the imports balance did not represent an error made by the Revenue Office.

Sergio da Costa explained that data referring to imports has not been in agreement with those released by CACEX since September 1986.

[Begin recording] [Da Costa] We have released the same figures. These data is absolutely correct.

[Unidentified reporter] Was this error made by CACEX?

[Da Costa] Well, what I can say is that we have provided correct figures.

[Reporter] You have said that the errors were detected in September 1986. Does this mean that CACEX was releasing figures of approximately \$250,000 less in imports?

[Da Costa] I do not know for sure whether it was \$250,000. A difference has been detected since September 1986, however, I do not know the precise amount. [end recording]

Finance Ministry International Affairs Secretary Rubens Barbosa thinks the error in the calculation of the Brazilian trade balance will not affect Brazil's credibility in its international relations.

He added that everything will be cleared up soon because President Sarney has ordered an investigation of the case.

OFFICIAL EXPLAINS RELATIONS WITH SOUTH AFRICA

PY012250 Sao Paulo FOLHA DE SAO PAULO in Portuguese 31 May 87 p 14

[Text] Brasilia — Luis Antonio Fachini Gomes, deputy chief of the Brazilian Foreign Ministry Africa 2 Section, has reported that relations between Brazil and South Africa are "cold and formal," in contrast to relations with the other African countries. He said Brazil condemns the system of apartheid (policy of racial segregation) in all international forums because it runs counter to the social and racial integration of Brazilian society.

Fachini said since the end of the seventies, relations, even economic, between Brazil and South Africa have been deteriorating. Since 1985, when President Jose Sarney decided to sanction the South African regime by forbidding weapons and oil sales and by suspending cultural and sports exchanges, there has been a considerable reduction in trade relations. In 1985, Brazil exported \$53 million worth of goods to South Africa, less than half the \$130 million exported in 1984. That same year Brazil imported \$18.5 million worth of goods from South Africa, in contrast to the \$43 million imported in 1984.

Fachini explained that even before the sanctions were applied, there were no weapons or oil sales between the two countries. Brazil has obeyed the 1977 UN resolution forbidding weapons sales to South Africa. Also in 1985, South Africa accounted for 0.14 percent of the total Brazilian imports and for 0.21 percent of its exports, while the United States accounted for 19.87 percent of the country's imports and 26.53 percent of its exports.

According to the South African Consulate in Sao Paulo, Brazilian exports to that country concentrate on soybean, wood, and manufactured products. In turn, Brazil imports mainly paper and orthophosphoric acid from South Africa.

Despite the system of free trade between Brazil and South Africa, the government, through Itamaraty, does not stimulate any exchange, Fachini said. Itamaraty maintains a trade promotion office in all its embassies, except in the Brazilian Embassy in Pretoria.

Fachini said the recent visit of South African Bishop Desmond Tutu to Brazil was intended to demonstrate Brazilian support for his ideas against racial segregation.

VENEZUELAN FOREIGN MINISTER ARRIVES FOR VISIT

PY301622 Paris AFP in Spanish 1557 GMT 30 May 87

[Text] Rio de Janeiro, 30 May (AFP) — Venezuelan Foreign Minister Simon Alberto Consalvi arrived this morning in Rio de Janeiro where he will begin a 5-day official visit to Brazil from 1 to 5 June. On 1 June, the visiting minister will go to Brasilia where he will meet with Brazilian President Jose Sarney and his counterpart, Abreu Sodre. On 3 June, he will go to Sao Paulo, the Brazilian economic and industrial capital. On Friday 5 June, he will return to Rio de Janeiro from there he will return to his country. The Venezuelan foreign minister will sign at least two agreements on 3 June with his Brazilian counterpart, one of them will deal with the repression of drug trafficking.

Meets With Sodre, Sarney

PY020240 Brasilia Domestic Service in Portuguese 2200 GMT 1 Jun 87

[Text] Venezuelan Foreign Minister Simon Alberto Consalvi arrived today in Brasilia for a 3-day visit.

In the morning, he met with Foreign Minister Abreu Sodre at Itamaraty. During the meeting, they discussed the possibilities in the field of trade. The two ministers also discussed Latin American problems such as the foreign debt and the Central American conflict. On 3 June, Sodre and Consalvi will sign an agreement on the fight against drug trafficking.

Itamaraty Spokesman Minister Ruy Nogueira explained:

[Begin recording] The antidrug agreement to be signed on 3 June foresees the exchange of information between the two countries' police forces in order to prevent drug trafficking along our common border.

Another important aspect of Minister Consalvi's visit is that, in addition to a political rapprochement, he will also strengthen ties in the field of trade. With this purpose in mind, Consalvi included in his entourage the chairman of the Venezuelan Foreign Trade Institute and the chairmen of the National Trade and Industry Confederations. [end recording]

Late this afternoon, Simon Alberto Consalvi met with President Jose Sarney and conveyed President Jaime Lusinchi's invitation to Sarney to visit Venezuela. Minister Abreu Sodre believes Sarney will visit Venezuela before the end of the year. President Sarney may also meet with the presidents of Colombia, Venezuela, and Ecuador to discuss bilateral topics soon.

According to Minister Abreu Sodre, these meetings are within the framework of the Brazilian policy of rapprochement with other Latin American countries.

In July, Sarney will meet with Peruvian President Alan Garcia on the Peruvian-Brazilian border.

BRIEFS

WORLD BANK LOAN APPROVED — The World Bank has approved a \$400-million loan for Brazil. This is the first loan granted to Brazil after this country declared a moratorium on its foreign debt payments. The funds will be used for social programs in several metropolitan areas. [Summary] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 27 May 87 PY]

AIDS CASES REPORTED — In the first 5 months of this year, 19 AIDS cases were confirmed in Pernambuco State. This was reported by the head of the state's Epidemiology Department. [Excerpt] [Brasilia Domestic Service in Portuguese 2200 GMT 25 May 87 PY]

DEL VALLE DISCUSSES BOLIVIAN PROPOSAL, U.S. REQUEST

PY020105 Santiago Radio Chilena Network in Spanish 2300 GMT 1 Jun 87

[Text] Foreign Minister Jaime del Valle today held a meeting with four [as heard] former Chilean foreign ministers to brief them on the Bolivian proposal made in April in Montevideo. The former ministers who attended the meeting were Julio Philippi, Enrique Ortuzar, and Carlos Martinez Sotomayor.

At the end of the meeting, Del Valle said he has been briefing various groups on the issue. He said during the meeting the former foreign ministers asked several questions to learn more about the Bolivian proposal seeking to solve its landlocked situation. Del Valle said he still has to inform high-ranking security forces' officers on the issue and he will then disclose the proposal to the public. The proposal allegedly contains two memorandums and two maps.

Del Valle also said the Chilean Government will answer the U.S. Government's request regarding Army officers Manuel Contreras and Pedro Espinoza. He said the answer will be given in the next few days, but denied that it will be today or tomorrow.

ADMIRAL OPPOSED TO SEA OUTLET FOR BOLIVIA

PY012224 Santiago Radio Chilena in Spanish 1700 GMT 1 Jun 87

[Text] Admiral Jose Toribio Merino Castro has reiterated that by no means will he sign an agreement with Bolivia granting it an outlet to the sea. This was disclosed to "Primera Plana" by (Jorge Figueroa Trust), president of the Defense of Sovereignty Committee, who said that Merino made this statement during a meeting with committee members.

[Begin (Figueroa) recording] We met with Adm Merino to voice the committee's concern over the talks being held between the Chilean and Bolivian Foreign Ministries. We do not agree with treaties that have already been signed being reviewed or modified. There is no reason a treaty signed in 1904 should be modified. Adm Merino reiterated his statement to the media that by no means will he sign an agreement should it give Bolivia a corridor to the sea. Merino said by no means would he sign anything of the sort. [end recording]

(Jorge Figueroa) added that the first and second regions are very concerned over this possibility and that Adm Merino is well aware of this. He said that the Defense of Sovereignty Committee is trying to get the political parties to become aware of and safeguard national sovereignty. He added that the committee has urged the political parties to do something about it.

[Begin (Figueroa) recording] The committee itself is going to hold talks with members of other political parties because it is not designed to benefit rightist, centrist, or leftist parties. All parties must be concerned about this issue. [end recording]

(Jorge Figueroa) then said that this problem not only affects the first and second regions but the entire country. He ended by stating that the construction of a port for Bolivia would be a very hard blow to the northern Chilean ports from the economic as well as security viewpoints because this port would probably be built by the Soviet Union, allowing access to ships of other countries.

COURT ORDERS POLICE TO PROTECT SOCIALIST EXILE

PY300220 Santiago Radio Chilena Network in Spanish 2300 GMT 29 May 87

[Text] The First Appellate Court of Santiago today upheld a petition for court protection filed by former Socialist youth leader Gustavo Ruz Zanartu.

Ruz appeared yesterday before the court after clandestinely entering the country, despite being included among those affected by a government ban on returning to the country.

The court upheld a petition by Ricardo Bravo, Ruz Zanartu's lawyer, and ordered that Investigative Police personnel protect his house. The police will protect Ruz Zanartu's house until the court rules on a petition for an injunction filed on his behalf.

The petition for police protection was based on well-founded fears that Ruz Zanartu's life is in danger.

ANALISIS DIRECTOR TO SERVE NIGHT SENTENCE

PY291629 Santiago Domestic Service in Spanish 1030 GMT 29 May 87

[Text] The Second Appellate Court has confirmed the sentence of 541 days of imprisonment to Juan Pablo Cardenas, director of ANALISIS. However, the court explained that the sentence will only be served at night, that is to say night imprisonment. Cardenas was sentenced for insulting the president.

DIRECTOR, REPORTER OF OPPOSITION PAPER INDICTED

PY300214 Santiago Radio Chilena Network in Spanish 2300 GMT 29 May 87

[Excerpt] First Military Prosecutor Enrique Olivares has indicted Felipe Pozo, director of the morning newspaper FORTIN MAPOCHO, and Gilberto Palacios, a reporter of the same newspaper.

It has been reported that Palacios has already been arrested and that an arrest warrant has been issued for Pozo. In remarks to Radio Chilena, FORTIN MAPOCHO Deputy Director Ismael Llona mentioned the possible causes for these arrests:

[Begin recording] They apparently have been indicted because of an article they published in April 1986; that is, a little more than a year ago. The article dealt with the conditions of military service. They were charged with offending the Armed Forces and with violating Article 284 of the Military Code of Justice. After being questioned again today, Palacios was arrested and sent to a public jail. He was initially questioned several months ago. [end recording]

Llona said Pozo could not comply with the summons of the military prosecutor because he is now abroad. [passage omitted]

NICARAGUA'S BORGE DISCUSSES REGIONAL POLICY

PA272305 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 26 May 87

[Report by Beatriz Gomez; passages within quotation marks recorded]

[Text] Nicaraguan Commander Tomas Borge today described Colombia's Central America policy as positive. Commander Borge said that Colombia's policy, implemented during Belisario Betancur's administration, has not changed and added that our country continues to play an important role in the Contadora Group and Colombia has also opened a window for the whole world to look in and see Colombia.

[Borge] "I also think that the COPPPAL [Permanent Conference of Latin American Political Parties] meeting represents an effort by President Barco's liberal government to continue opening Colombia's windows to international policy. I feel that Colombia does not wish to remain in the rear guard. Generally speaking, I feel this position is very adequate."

Answering those who claim that the Contadora Group has failed, Borge defended the important role the group has played.

[Borge] "Contadora has represented an obstacle, a fence, a contentious wall against U.S. aggression in Central America. Contadora expresses the national independence traits of Latin American countries toward the United States. As a precondition to any agreement or understanding Nicaragua demands Contadora's presence."

Minister Borge felt that the Iran-contra scandal, with the consequent discrediting of U.S. policy toward Nicaragua, in addition to the counterrevolution's military defeat, makes the resolution of the conflict in that country more possible.

[Borge] "This means we are nearing peace or that perhaps the possibility of direct U.S. military intervention is greater."

DNC ISSUES COMMUNIQUE ON NATIONAL POLITICS

PA311230 Bogota EL TIEMPO in Spanish 27 May 87 pp 1, 9a

[Communique issued by the Conservative Party's National Directorate, DNC, following a meeting with Government Minister Cesar Gaviria Trujillo on 26 May]

[Text] "The DNC feels the president of the Republic's initiative through Minister Cesar Gaviria Trujillo was a positive step, as it implies a rectification in relations between the executive branch and the conservative sector in the ruling party-opposition scheme.

"During today's meeting, the DNC reiterated the conservative sector's determination to present its concepts and programs as the best democratic alternative for the Colombians' consideration. It also ratified the attitude it has adopted in the current ruling party-opposition scheme, and its determination to maintain it.

"The DNC expressed its ideas regarding the need to establish a national dialogue as a permanent policy within which -- convoked the government -- political parties may agree on the solutions for the country's major problems.

"The DNC feels that a free exchange of opinions is necessary to arrive at agreements to be complied with by the political forces on the basic mechanisms to preserve democracy. This does not imply changing the ruling party-opposition scheme established by the executive branch, but the preservation of the fundamental norms of political civilization that should be respected for the benefit of the country.

"It is clear, as expressed by the minister, that the government is solely responsible for public order and will adopt the necessary measures for its restoration and maintenance. It will present reports and explanations on this subject, maintaining its full decisive autonomy.

"The minister also assured the DNC that the government will not propose or promote a bill to alter the parity in the Supreme Court of Justice and the State Council. The DNC feels such an initiative would result in the politization of the government's judicial branch, further aggravating the crisis affecting our justice system.

"The DNC reiterated to the minister the points adopted regarding the nonparticipation in positions of political responsibility at the national, departmental, and municipal levels; or in the foreign service. It also expressed its conviction that the government will act according to the president's statement to the DNC on 4 August 1986, in the sense that power will not be used to maintain or offer unauthorized cooperation or to break the discipline within the parties not participating in the government.

"The government minister said he hopes this was the first of a series of future meetings. The DNC expressed its willingness to hold future meetings, but within the framework of a great national dialogue."

BRIEFS

COCAINE SEIZED, 10 ARRESTED — Today, police confiscated 25 kg of cocaine near Villeta, Cundinamarca Department. The 10 people who were arrested tried to bribe policemen by offering 7 million pesos in cash. [Text] [Bogota Inravisión Television Cadena 1 in Spanish 0000 GMT 31 May 87 PA]

COCAINE SEIZURE — The F-2 has found and seized 115 kg of high quality cocaine in a residence in northern Bogota. The F-2 also arrested four people and seized weapons as well as vehicles used to transport the cocaine. The drug was taken from Boyaca Department to Medellin in crates and was to be sent from there by plane to either New York or Miami. [Summary] [Bogota Inravisión Television Cadena 1 in Spanish 1730 GMT 28 May 87 PA]

LABOR LEADER DIES — Manuel Felipe Hurtado, president of the Confederation of Workers of Colombia died last night of a heart attack. [Summary] [Bogota EL SIGLO in Spanish 28 May 87 p 1 PA]

STROESSNER'S ABSENCE FROM URUGUAYAN SUMMIT VIEWED

PY281555 Paris AFP in Spanish 0411 GMT 28 May 87

[Text] Asuncion, 27 May (AFP) -- Political and economic analysts said today that the absence of Paraguayan President General Alfredo Stroessner for the tripartite meeting held in Montevideo among his Argentine, Uruguayan, and Brazilian counterparts has had a negative impact on Paraguayan aspirations to reduce the burden of protectionism by the developed countries.

Paraguay, which is to a great extent dependent on its neighbors, especially Brazil, so far has been left out of the talks conducted by the three presidents of the South Atlantic coast.

According to local opposition politicians and government and opposition congressmen of those three countries who visited Asuncion, the absence of Paraguay from the talks is due to the authoritarian nature of Stroessner's regime.

Through direct messages to Paraguayan authorities through the news media, these politicians have said that democracy is a prerequisite for integration.

However, several times government sources have reaffirmed that Paraguay has been included in the regional development plan and that bilateral contacts with those countries have been strengthened.

Nevertheless, since the installation of democratic governments in these three countries, Gen Stroessner could only officially meet with President Jose Sarney on two occasions: inaugurations of the turbines of the Itaipu Binational Enterprise.

This fact is used by the Paraguayan opposition as an argument that Paraguay is isolated because of the authoritarian nature of its government, which has been in power for 33 years.

According to Paraguayan analyst Antonio Salum Flecha, Paraguay's absence from the tripartite meeting is due to the authoritarian regime, which it has been unable to overcome since Stroessner took power.

According to economist Pablo Herken, Paraguay's isolation has had a negative impact on the national economic situation to the detriment of the Paraguayan people. He said that those countries should allow Paraguay to join the tripartite meetings regardless of the domestic political situation that proscribes the opposition and censors the press. He argued that the inhabitants are not responsible for the situation and that those countries should seek new mechanisms to promote the democratization of the country.

NEW BIDS FOR RADIOS NANDUTI, CARITAS FREQUENCIES

PY011813 Asuncion HOY in Spanish 30 May 87 p 29

[Excerpts] Envelopes containing radio frequency bids solicited by ANTELCO [National Telecommunications Administration] were opened yesterday morning. It came as a surprise that bids for the frequencies of Radio Nanduti and Radio Caritas were made by people other than their current users.

In this regard, we contacted Humberto Rubin of Radio Nanduti and Carlos Talavera of Radio Caritas to hear what they have to say.

Humberto Rubin said: "It is true that other bids were presented. Anybody is free to make these bids, and ANTELCO should know who should be awarded." Asked who had submitted the bids, he said he did not know. From other sources, HOY discovered that Juan Carlos Martinez submitted a bid for the AM frequency of Radio Nanduti, and Victor Castro Montes, for the FM frequency. [passage omitted]

In turn, Carlos Talavera said: "It is true, but this is within the rules of the game. We knew that this possibility existed. We only expect that these bids will be evaluated in their economic, technical, and programming merits, as required by ANTELCO."

Asked who submitted a bid for the frequency being used by Caritas, Carlos Talavera replied: "It was submitted by a man named Pablo Costenco, who was not even present at the opening of the envelopes; nor did he send a representative," he said, denoting his surprise. [passage omitted]

FOREIGN MINISTER ON REPORTS OF SMUGGLING IN BRAZIL

PY261822 Asuncion EL DIARIO in Spanish 26 May 87 p 13

[Text] Foreign Minister Carlos Saldivar yesterday denied that during his visit to Brazil he received a memo on an alleged case of smuggling of Brazilian soybeans through Paraguay and through Paraguay's free port of Paranagua. The affair had been by the Parana State press.

The Brazilian press said that soybeans were allegedly smuggled through Paranagua and that Dr Justo Eris Almada, who is the Paraguayan consul general and the manager of the free port, is involved in the affair.

Asked about the issue, Dr Saldivar said: "I did not receive any memo, and no one raised the issue. The matter was discussed only because it was in the Parana press, but there were neither proposals nor requests."

Asked whether an investigation will be conducted following the charges leveled in Brazil, the minister replied: "We have the port of Paranagua, it is a free port in keeping with the terms of a treaty, and Paraguay has always complied with the terms of the treaties it has signed."

MOPOCO LEADERS KEPT FROM ATTENDING AUTHORIZED MASS

PY011614 Asuncion ULTIMA HORA in Spanish 30 May 87 p 10

[Text] This morning, police cordoned off the Metropolitan Cathedral, thus impeding attendance at a religious service sponsored by MOPOCO [Colorado Popular Movement]. Not even Father Fernando Lugo, who was to officiate at the mass, was allowed to enter the church.

The MOPOCO leaders gathered at the corner of Independencia Nacional and Eligio Ayala Streets and then tried to get to the Panteon de los Heroes. The mass organizers protested what they considered an abuse of authority since the program [to mark the events of 29 May 1955] has been cleared with the police.

MOPOCO President Miguel Angel Casabianca said: "This abuse of authority not only offends the Catholic sentiments of the Paraguayan people, but humiliates the church."

UNITED LEFT LEADER BARRANTES' RESIGNATION SPEECH

PY011450 Lima America Television in Spanish 0305 GMT 1 Jun 87

[Address by Alfonso Barrantes, leader of the United Left, in a paid advertisement; place, date not given -- recorded]

[Excerpts] A distinguished journalist once asked me what was my basic occupation and I told him that my basic occupation was my concern for Peru. When he asked me which country I would really like to know, I answered: Peru.

For 40 years I have been carrying out my duty to Peru and its popular causes with an honorable sense of responsibility and without any type of demagoguery.

This is why when I am maliciously held responsible for conciliations and inconsistency, I refuse to answer the insulting words hurled at me and I remain firm in my ideals and my socialist faith that have nothing to do with my temptations of infantile adventurism and opportunism.

I demand that the country's leaders pause to think and to mature. And, with [Jose Carlos] Mariategui I ask them for less controversy among ourselves, but I do ask them to be controversial with our ideas. That controversy should not, however, lead to confrontations and personal gains within the party. We must be generous in acknowledging each other's values and noble in helping to overcome when we lose.

I do not deny that I have made mistakes, but I have rights, and it must be acknowledged that these mistakes were not the consequence of personal ambitions nor were they due to an anti-[word indistinct] stance.

We must not let enmity lead us toward a division in the United Left [IU]. We must not let it be used as a pretext to achieve the supremacy of some over others.

I have no commitment with the government, nor will I have with either the government or its party. I am convinced that the APRA [Popular American Revolutionary Alliance] in view of its doctrine and its class commitments, will not modify the economic structure that nurtures the lack of justice and exploitation that are our country's burden.

A sectarian stance that contradicts the contents of presidential speeches is a direct attack against the democratic existence of popular organizations, and it promotes the official parallelism, which takes advantage of the needs of the poor and official posts, that intends to guarantee for itself a political clientele in the shantytowns, schools, and in the public administration.

In making these charges I demand respect for the autonomy of our popular organizations. We must let the creative capability of our people be expressed freely and without obstacles. [passage omitted]

I am very pleased in Peru's constitutional stability. All of us who believe in a perfectible democracy have the duty to contribute toward it and to maintain it so the formal aspects are overcome and real levels of justice and equality are achieved in the economic and social sectors.

One must be either stupid or blind not to see that the political regime is very fragile and not to see that there are dark and evil forces in and outside the country.

These forces are linked to imperialism and want to do away with the democratic efforts of our people.

My fellow countrymen and the militants of IU, you must not forget the tragic experience of our sister country Chile. Those who believe in democracy must assume the commitment of not allowing another dictatorship to install itself in our fatherland.

While I was president of the IU and before that when I was mayor of Lima I received visits by ambassadors accredited to our country. Most recently I received the U.S. ambassador, but this has not changed my anti-imperialist stance nor my unconditional support for the Nicaraguan revolution.

Those who thought they have seen a conciliatory stance in this are completely mistaken. My continued anti-imperialist stance will demonstrate this. [passage omitted]

The fragility of the government is not only due to the economic and moral problems that affect Peru. Terrorism is a significant protagonist and I ratify my repudiation and condemnation of it. I refuse to march in the ranks of blood and death. I vote for life and I will continue to fight for it.

Pope John Paul II says that terrorism is not justified under any circumstances in a civilized society. It is a sophisticated return to barbarism and anarchy. It has always been a demonstration of hate.

This is why I will repeat something I have said on other occasions: I oppose the militarization process and I condemn, with the authority that my frank antiterrorist position gives me, the constitutional violations of the forces of repression. But, I do not forget that the militarization process and violation are the answers to the advent of the Shining Path.

It is necessary to stop the Shining Path if we want to put a stop to the militarization process affecting constitutional stability. And it is here that the government has the obligation of implementing a strategy of fighting and eradicating terrorism, while guaranteeing respect for human rights.

Socialism and socialists are not interested in hate or in revenge, therefore, we have nothing in common with terrorism, no matter its nature, type, name, or color. Neither do we have anything in common with counterterrorism.

We must struggle strongly together with the people, contributing to the strengthening of the people's organization, so that they can progressively assume and exercise government functions, because only by gaining such experience will we be able to contribute to future advent of a true socialist democracy. [passage omitted]

It grieves me to confess to you that, despite the years that have passed, a true spirit of confidence and fraternity among the IU executive board members has not yet been forged.

In addition, the main issues concerning the APRA administration -- terrorism and the Armed Forces -- have not been exhaustively discussed yet. This is why we have been showing and still show different facets to the people outside the IU.

At no IU executive board meeting has my behavior or my statements been questioned. The method used involved innuendos. Some party spokesmen, displaying more annoyance than reason, set themselves the goal of politically liquidating me.

In time, the calibre of the epithets became vile and mean. In keeping with sectors foreign to the IU, but with an unmasked proterrorist position, these spokesmen turned the so-called criticism into a truly slanderous and defamatory campaign, which the reactionary right pleasingly spread.

After nearly 7 years of serving as president and with the silence and perhaps the approval of the majority of the IU executive board members, Barrantes Langan is now exposed as being responsible for all the negative IU features.

There has not been any public gratitude for nearly 7 years of patient unity-seeking efforts, and much less so for the democratic task performed as Lima's mayor.

I sincerely do not want the IU to become weaker for what may be described as my personal defects. This is not correct, either. Instead of reflecting on our responsibilities from a historical viewpoint, Barrantes is being turned into the center of debate.

The secretaries general elected me as their president. For their part, the self-sacrificing militants, both the partisan and nonpartisan militants, along with broad sectors in Peru, have entrusted me with the top post in the leftist leadership.

For what I have just said and for something better left unsaid, I hereby hand back to the secretaries general the post of president, which they had asked me to perform. If I am an obstacle to the left in their quest to become stronger, and to retain their revolutionary position, I irrevocably return to them the presidency without bitterness or complaint.

Let time and the people test our different viewpoints. However, I am committed to the people and to the IU militants to the IU leadership and I will only surrender this leadership to them whenever they require it from me. I, along with the people and the IU militants, will continue to struggle as a simple militant for unity, democracy, and socialism.

All of us who sincerely believe in democracy, which we will have to build with patience and sacrifice, must join together. We must join together, rejecting terrorism and its bloody and deadly methods. All of us, who without deceitfulness, believe in socialism as a heroic creation aimed at freeing and not at oppressing humanity, must act together.

I, along with Jose Carlos Mariategui, support revolution, but as a mass or historical event. Thus, the working class must continue maturing to assume that responsibility, ignoring the demagogic ranting of those approaching it not to serve it but to split it and take advantage of it during the elections.

I am asking the IU militants to continue their efforts and remain continuously alert to prevent the [IU] front from contaminating itself with the naivete [infantilismo] of the people supporting the Shining Path organization.

The more democratic its organization, the stronger the IU will be. The IU contribution to the difficult and arduous revolutionary task will be decisive if the IU acts realistically and with fortitude.

I have faith in Pery and I have faith in you.

All of us together, uniting in thinking, action, and sentiment, must continue the struggle.

Quoting Jorge (Basardi), I am telling you, countrymen who are not IU militants, that we have the inescapable duty to achieve the goal of preventing Peru from becoming just a cesspool, a waste land or a country aflame.

Brotherly countrymen, let us not lose Peru because of the work or the inactivity of Peruvians.

Let us fulfill our duties with true patriotism, with the conviction that the woman who has been sharing our responsibilities and dreams for many years will add to this common effort her respectable capability for love and self-denial.

Quoting Mario Benedetti, I conclude by telling you that I know that today all doors will be closed to me, that the letter I have been waiting for will never arrive, that there will be bad news in the newspapers, that the woman I love will not think of me, and what is much worse, that the world will grow dark, full of anguish, that many other people here and elsewhere will also feel deprived and lonely, that the heavens will collapse as a rotten roof, and that even my shadow will scoff at my confidence. It is just as well that I know myself. It is just as well that tomorrow or the day after tomorrow at the latest, I know that I will wake up happy and filled with sympathy. Thank you very much.

TERRORISTS, TRAFFICKERS 'COORDINATING' OPERATIONS

PY012132 Madrid EFE in Spanish 0115 GMT 1 Jun 87

[Text] Lima, 31 May (EFE) — It was reported today in Lima that groups of terrorists and drug traffickers are coordinating their operations in a large area of the Peruvian jungle that includes towns from two departments. It was said that they are also training "shock forces," in which children are included.

These "forces," which are used to counter police and military operations against their activities, are trained in clandestine camps located in a zone between Tingo Maria, Huanuco Department, and Juangui, San Martin Department, according to today's edition of the Lima newspaper EXPRESO.

The newspaper reported that it has received reports from parents who live in the towns inside the zone, including Tingo Maria, Aucayacu, Uchiza, Tocache, La Polvora, and Juanjui.

EXPRESO reported that the drug traffickers provide weapons to the terrorists, and that both groups subdue the inhabitants of the area using death threats, thereby forcing them to disobey government measures intended to eradicate coca leaf production.

According to the newspaper, this problem is even more serious in Tocache, where the terrorists and drug traffickers occupy the town at night and kill those who resist them. Moreover, the rebels often raid schools to lecture on the armed struggle.

OPPOSITION DEMANDS RESIGNATION OF INTERIOR MINISTER

PY291821 Paris AFP in Spanish 2206 GMT 28 May 87

[Text] Lima, 28 May (AFP) -- The Peruvian opposition, which disapproves of the report on the recent police strike that Interior Minister Abel Salinas read to the Senate, today reiterated their demand that the minister resign.

Socialist Senator Enriqua Bernales said that the 4-day strike, staged between 15 and 18 May, was a rebellion and could have had unpredictable consequences had the people not behaved properly and had Congress failed to act quickly.

During the police strike over salary demands there were street demonstrations while police stations were seized, and buses highjacked. One person died, several were injured, and 85 rebels were arrested.

Senator Bernales, who belongs to the IU (United Left) — the largest opposition sector of the ruling APRA — said that the minister has lost his authority and that he had better resign. Legislators from The Centrist Popular Action (AP) Party and of the Christian Popular Party (PPC), a Social Christian Party, supported Bernales.

Salinas voluntarily reported to the Senate yesterday. He charged that the police strike was suspiciously planned and that it had coincided with 17 May, the 7th anniversary of the beginning of the activities of the Maoist Shining Path guerrilla group.

The minister also admitted that the intelligence services had made mistakes, but said that the government of President Alan Garcia had avoided bloodshed by trying to find a peaceful solution and by ruling out repression, even though this did not mean impunity for the low-ranking policemen who instigated the rebellion.

Opposition lawmakers said that some of the explanations made by Salinas, like his contention that rational strategy had helped to avoid pillaging and looting, and that just a small number of policemen had joined the strike, were inconsistent and inaccurate.

The opposition lawmakers, who today once again complained as the debate on the minister's report continued, said that there was no looting because the people did not leave their offices or homes and because the downtown sector of Lima was occupied by military troops while the rest of the city was left defenseless. The lawmakers also complained about the glaring mistakes made by the intelligence services.

The lawmakers also noted that of the more than 120,000 Peruvian policemen, thousands of low-ranking policemen joined the strike in Lima, Arequipa, Huancayo, Trujillo, Cusco, Huaraz, and in other rural towns.

The truth is that the government and the interior minister were caught by the strike precisely because they would not admit that there was a strike, Senator Bernales said.

NICARAGUA'S ORTEGA SENDS MESSAGE TO SANGUINETTI

PY300148 Paris AFP in Spanish 0055 GMT 30 May 87

[Text] Montevideo, 29 May (AFP) — It was officially reported here today that Uruguayan President Julio Maria Sanguinetti in the last few hours received a message from his Nicaraguan counterpart, Daniel Ortega, on the situation in Central America.

The message was delivered by Nicaraguan Ambassador to Mexico Edmund Harkin, whose visit Ortega revealed to Sanguinetti by phone on 26 May. According to the sources, Harkin met with Argentine Foreign Minister Dante Caputo in Montevideo on 27 May and intends to meet with President Raul Alfonsin in Buenos Aires today.

The sources added that Ortega's message includes references, not yet made public, to the summit that the presidents of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua will hold in Guatemala in June.

COUNTRY TO JOIN SOUTHERN CONE CURRENCY SYSTEM

PY302359 Madrid EFE in Spanish 0158 GMT 30 May 87

[Text] Montevideo, 29 May (EFE) — Uruguayan President Julio Maria Sanguinetti today confirmed that Uruguay will join the regional currency system that is being devised by Argentina and Brazil for trade among the countries of the Southern Cone.

At a press conference, Sanguinetti said that "the idea is to create a currency, a sort of money market paper, that will permit the handling of the trade balances."

During the tripartite "summit" that was held recently, Uruguay was invited by Argentine President Raul Alfonsin and Brazilian President Jose Sarney to join the exchange currency system. Julio Maria Sanguinetti emphasized that "the technique is complex, especially in our countries where there is financial and inflationary instability."

Nevertheless, Sanguinetti made it clear that "by creating this regional currency the Southern Cone countries intend to offset their trade balances without using the so-called hard currencies such as the dollar, which is currently used." The Uruguayan president referred to the growth in regional trade involving the exportation of 524 assorted products to Argentina which involved "a structural change in the foreign market, thus far based on meat and wool exports."

Sanguinetti also explained that the significant increase in exports to Brazil, which totaled \$260 million in 1986, was occasional because "it reflected a special moment" in Brazil. Later, Sanguinetti explained that this was a time of crisis. "Brazil asked us for understanding. However, now everything again seems to be normal," he said. President Sanguinetti reported that Brazil has issued import licenses for Uruguayan garments and that over the past 48 hours Uruguayan exports totaled \$9 million.

Sanguinetti stressed that Uruguay has lost much more because of the decline in the prices for its raw material exports than because of the hike in the interest rates on its foreign debt. Uruguay was one of the first countries to refinance its \$5-billion foreign debt. However, the measures taken by more powerful countries have led to different financial terms.

Asked whether negotiations would be conducted to change the foreign debt refinancing, Sanguinetti answered that "this issue is being discussed." The Uruguayan president explained that "it is not easy to change a written agreement, but we also do not think it is impossible."

Sanguinetti pointed out that Uruguay has saved a lot because it refinanced its foreign debt more than a year ago. He admitted, however, that "in some aspects" Mexico and Argentina have improved on the refinancing scheme negotiated by Uruguay. The president also made it clear that Mexico and Argentina lost money because they did not refinance their foreign debt earlier. Uruguay has so far saved a lot, compared to other countries, he concluded without providing figures.

SANGUINETTI DISCUSSES DEBT REFINANCING

PY301837 Paris AFP in Spanish 2209 GMT 29 May 87

[Text] Montevideo, 29 May (AFP) — President Julio Sanguinetti today announced that Uruguay will try to get new financing for its foreign debt (\$5 billion) to get better payment conditions after the increase of interest rates.

Just after the new Uruguayan constitutional government came to power in 1985, it reached an agreement with the creditor banks to reschedule the maturity date to 1989 with a 12-year payment term, a 3-year grace period and a 1 3/8 percent LIBOR interest rate.

Sanguinetti recognized the validity of the signed agreement, but after recalling the agreement, but after recalling the agreement recently signed by Argentina and Mexico, he said that we are now trying to improve our payment conditions again. He added: It is not a simple thing to do after an agreement has been reached, but it is also not impossible, a proposal is being made.

Sanguinetti said that the increase of interest rates directly affects the current rescheduling agreement and creates a greater demand for foreign currency with which we pay our debt.

However, he added that the only way to grow is by rescheduling the debt, because the other possibility is financial isolation which can become an even greater obstacle than rescheduling the debt.

BLANCO PARTY CONVENTION CRITICIZES ECONOMIC POLICY

PY011624 Paris AFP in Spanish 1645 GMT 31 May 87

[Text] Montevideo, 31 May (AFP) — The main opposition force in Uruguay, the National or Blanco Party, has criticized the government's economic policy and it has also decided to begin outlining its differences with that policy. This was approved by the party's national convention.

The Blanco Party Convention, which met for the first time since December, when it approved the amnesty for militarymen who violated human rights during the de facto regime, has decided to clearly outline the differences between its economic policy and that of the government.

It was also decided to try to achieve changes in the political management of the state and the convention named a committee to update the party's basic program. During the debates there were no harsh confrontations among the various Blanco Party factions. Before the convention political analysts said that confrontations were a possibility.

The approval of the law that put a stop to the trials for crimes against humanity produced strong divisions in the party that is headed by Wilson Ferreira Aldunate. Various positions had been adopted by the party's congressmen regarding the law.

CUBAN VICE PRESIDENT RODRIGUEZ' VISIT POSTPONED

PA302044 Paris AFP in Spanish 1952 GMT 30 May 87

[Text] Georgetown, 30 May (AFP) — The 4-day visit that Cuban Vice President Carlos Rafael Rdriguez was scheduled to begin this coming Monday has been postponed, a government source in Georgetown told AFP today. Cuban Embassy sources denied that the postponement of the visit by the third ranking Cuban leader is related to the recent defection to the United States of General Rafael del Pino Diaz.

Cuba proposed 17 June as the new date for the beginning of the visit by Rodriguez. It is not known yet if this date will be accepted by Georgetown. Cuba and Guyana maintain diverse cooperation agreements in the economic, cultural, educational, and health fields.

CUBAN DOCTORS, TECHNICIANS TO PROVIDE ASSISTANCE

FL251534 Bridgetown CANA in English 1325 GMT 23 May 87

[Text] Georgetown, Guyana, May 23, CANA — A team of 12 Cuban doctors and technicians arrived in Guyana earlier this week under the Guyana-Cuba assistance programme. They will be here for two years and replace other Cuban doctors and technicians who recently completed a similar stint of service. The new team includes three specialists in general medicine, two x-ray technicians, two anaesthetic technicians, one epidemiologist, two ophthalmologists, one ear, nose and throat surgeon and one occupational health and safety specialist.

The occupational health and safety specialist will be attached to the Ministry of Labour while the others will serve at medical institutions in different parts of the country.

CARICARGO ISSUED LICENSE FOR FREIGHT SERVICE

FL201859 Bridgetown CANA in English 2006 GMT 18 May 87

[Text] Georgetown, Guyana, May 18, CANA — The Director of Civil Aviation in Guyana today issued a licence for Caribbean Air Cargo (CARICARGO) to operate a freight service linking Barbados, Trinidad and Guyana, the office of the president announced. The issuing of the licence to the jointly owned Barbados and Trinidad and Tobago airline as a direct result of bilateral discussions held yesterday between Guyana's President Desmond Hoyte and Prime Minister Errol Barrow of Barbados. The statement said the discussions were on topics of bilateral interest and that among the subjects discussed were cooperation in the field of civil aviation and fisheries.

The president and Prime Minister Barrow also explored new areas of economic cooperation, the brief statement said. The licence to CARICARGO, it added, has been issued in the context of the talks between the two leaders and the service can begin immediately. President Hoyte, who flew to Barbados yesterday for the talks, returned home early this morning.

BOUTERSE COMMENTS ON NONDELIVERY OF PLANES

FL291927 Paramaribo International Service in English 1730 GMT 29 May 87

[Text] Two fighter planes recently ordered from Switzerland by the national army will no longer be delivered because of instigation from Holland. The aircraft, which should have been delivered by the Pilatus Airplane Factory, were intercepted in the United States while on their way to Suriname. This was stated yesterday at the press conference by government leader Desi Bouterse. Bouterse said the army purchased the aircraft because they would have been suitable for the fighting in the east and south of the country. The government leader further stated that it must be clear now that Holland is involved in terrorist activities in Suriname.

TRADE UNIONS OPPOSE CHEMICAL WASTE PLANT

FL281906 Paramaribo International Service in English 1730 GMT 28 May 87

[Text] This morning members of the delegation from Holland began discussions here with institutions for the setting-up of a processing plant for chemical waste. The delegation headed by the director of (Exo) Recycling (Van Karigtan) held talks this morning with, among others, representatives of the Ministry of Foreign Affairs. Yesterday (Van Karigtan) said his company will go to another country in South America if Suriname doesn't have any interest in the setting-up of the plant in this country. The unions united in the Council of Trade Unions Federation are unconditionally against the setting-up of the plant in Suriname. They are of the opinion that this can have serious consequences for man and environment.

BOUTERSE VISITS FARMERS, OPENS RADIO STATION

FL011956 Paramaribo International Service in English 1730 GMT 1 Jun 87

[Text] Government leader Desi Bouterse has issued a call to (?urge) farmers of Nickerie District to unite. He also urged them to discuss the problem of the buying of their paddies with the Suriname Rice Export Company, Surexpo, the company which is involved in the export of Surinamese rice. The government leader was on a visit to the Nickerie District on Friday last, for a meeting with the [words indistinct] in the area. During his visit Bouterse officially opened Radio (Boscopu) the fifth regional radio station to be opened by the Ministry of Internal Affairs. Bouterse told the [words indistinct] that the government is considering building a bridge over the Coppename River.